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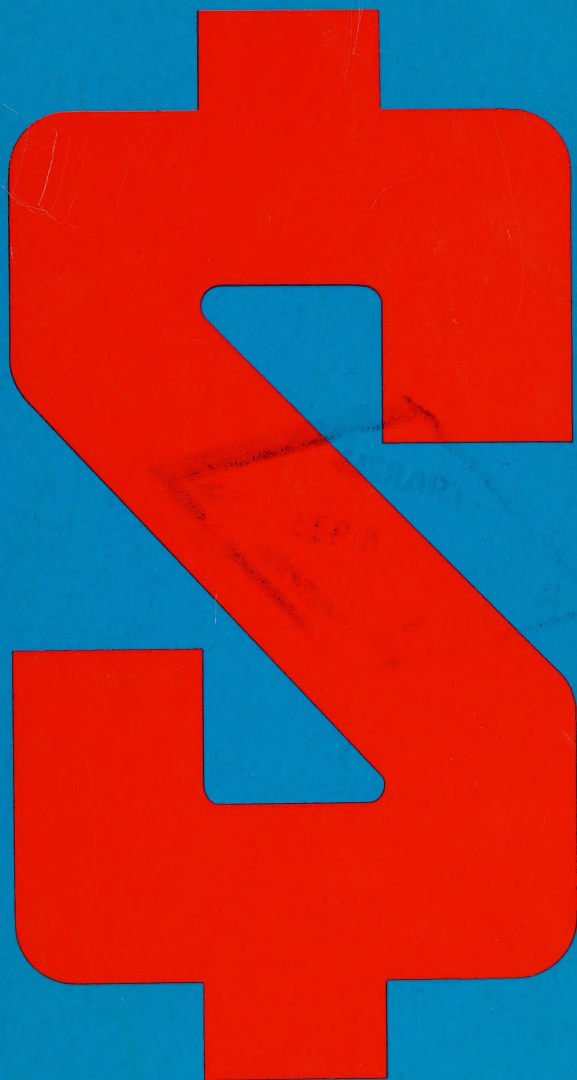
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Committee on the Costs of Education

interim report number seven





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Ontario

Committee on the Costs of Education

interim report number seven



Financing Education in
Elementary and Secondary Schools

June, 1975

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Toronto.

D. C. Trowell,
President,
Shoreacres Broadcasting Company Limited,
Toronto.



To His Honour

The Lieutenant-Governor of the Province of Ontario

May it please Your Honour:

We, the members of the Committee on the Costs of Education, appointed by Orders-in-Council, dated the 23rd June, 1971, and the 30th June, 1971, to examine the costs of education for the elementary and secondary schools of Ontario in relation to the aims and objectives, programs, priorities, and the like, of the educational system and to evaluate the programs in the requirements of the present day, and in terms of the expenditures of money for them, submit to Your Honour, herewith, a seventh interim report.

Chairman

Paul Brabant Hazel Farr Lawrence Katz
W. Phillips John Ronson D. A. Dravell



EXECUTIVE COUNCIL OFFICE

OC-1211/71

Copy of an Order-in-Council approved by His Honour the Lieutenant Governor, dated the 21st day of April, A.D. 1971.

The Committee of Council have had under consideration the report of the Honourable the Prime Minister, dated April 20th 1971, wherein he states that,

WHEREAS it is deemed desirable to examine the costs of education for the elementary and secondary schools of Ontario in relation to the aims and objectives, programs, priorities, and the like, of the educational system,

AND WHEREAS there is a need for evaluation of the programs in the light of the experience with them, the requirements of the present day, and in terms of the expenditures of money for them,

The Honourable the Prime Minister therefore recommends that there be established a Committee on the Costs of Education in the Elementary and Secondary Schools of Ontario for the purposes hereinafter mentioned:

- to study the use of the financial resources being provided for elementary and secondary education in Ontario in the attainment of the educational goals;

- to examine the present grant plan to determine if the various differentiating factors such as course, location, level (elementary and secondary), and type (ordinary and extraordinary) generate funds in proper balance consistent with the needs for the attainment of desirable educational objectives;

- to examine the implications of ceilings on expenditures by local school boards, including the effect on the decision-making and autonomy of local school boards;

- to examine the various aspects of school programs with particular reference to innovations and new concepts as, for example, the "open plan" organization, technical and commercial programs, and use of educational technology, with a view to designing and recommending research studies to determine the effectiveness of these concepts in relation to the aims and objectives of education, these studies to be conducted by contract arrangement with research agencies;

- to communicate and consult with groups and organizations repre-

sentative of parents, teachers, trustees, students, and other interested parties;

- after due study and consideration, to make representations and to submit a report or reports to the Government with respect to the matters inquired into under the terms set out herein as the Committee sees fit.

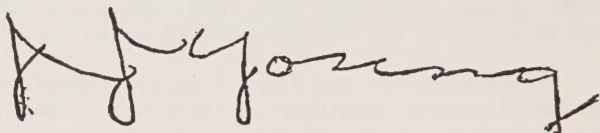
That the Committee be empowered to request submissions, receive briefs and hear persons with special knowledge in the matters heretofore mentioned.

That the Committee be empowered to require the assistance of officials of the Department of Education for such purposes as may be deemed necessary.

That members of the Committee be empowered to visit schools and classrooms in Ontario, by arrangement with local school systems.

The Committee of Council concur in the recommendation of the Honourable the Prime Minister and advise that the same be acted on.

Certified,

A handwritten signature in dark ink, appearing to read 'H. Young', written in a cursive style.

Clerk, Executive Council

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PREFACE

The rates of increase in the financial resources devoted to education in Ontario since 1942 are unprecedented. Total expenditures have reached levels that could not have been anticipated, or even imagined, twenty-five years ago. As a result, there is considerable evidence that Ontario has been meeting its obligation to the young people of the province to provide more facilities, teachers, equipment and supplies, technology, and support services under the pressures of greatly increased enrolments and demands for more varied and extended programs. While these developments apply with equal, or even greater, force to the universities, the Colleges of Applied Arts and Technology, and other forms of post-secondary education, the terms of reference of the Committee on the Costs of Education limit its investigation to elementary and secondary education. It is, therefore, with these latter levels that this Report deals.

It was inevitable that, as the amount of the financial resources allocated to education reached highly visible levels, the expenditures by school boards and the provincial government would ultimately come under closer scrutiny. Competing demands for new and expanded programs in areas such as health services, transportation facilities, welfare payments, energy development, and pollution control ensured that the amount and proportion of governmental expenditures devoted to education would be examined in relation to other priorities. This situation is not unique to Ontario and has been experienced in other provinces and in most States of our neighbour to the south.

During recent years, economic factors represented by high rates of unemployment, inflationary pressures, and increased taxation at all levels of government helped to create a climate that favoured greater control over expenditures for education. Political pressures arose from citizen resentment of constantly increasing expenditures to meet demands for new programs and expansion of existing services, from disenchantment and disappointment when unrealistic expectations of education were only partially fulfilled, and when the growing permissiveness in the total society found some expression in the schools. The combination of these and other factors resulted in the province establishing expenditure ceilings

for the operating costs of school boards.

The levels of expenditure already reached by school boards and the establishment of ceilings to control future increases have led to some strong differences of viewpoint about the financing of education among teachers, trustees, the public, and the Ministry of Education. Much of the debate has taken place without benefit of a thorough analysis of existing policies, procedures, and practices, and without the type of investigation that might lead to creative and imaginative ways of meeting the new circumstances. The Committee on the Costs of Education was appointed with broad terms of reference to overcome this deficiency. It was asked to examine the existing provisions for the financing of education and to give particular attention to the present grant plan, including the implications of ceilings on expenditures by school boards, and the effect of ceilings on the decision-making ability and autonomy of these boards.

In the organization of this Report we have continued the format of earlier reports by providing a summary of our findings, conclusions, and recommendations in the first chapter. This pattern enables the reader to secure in capsule form a knowledge of the main considerations on which our proposals are based. For those who wish to delve more deeply into the subject of the Report and for those who may have a special interest in particular areas, we have felt obliged to provide more detailed background information and data in the remaining chapters to support and justify the content of the first. While this arrangement inevitably leads to some repetition, we believe that the benefits to be realized justify the adoption of this procedure.

This Interim Report deals for the most part with costs associated with the day-to-day operation of school systems. Payments for this purpose are called "ordinary expenditures". Two other Interim Reports of the Committee considered costs for school building programs and pupil transportation.^{1,2} The necessity for additional classroom accommodation and

¹School Building Programs, Interim Report Number Two, Committee on the Costs of Education, Queen's Printer and Publisher, Toronto, 1972.

²Pupil Transportation, Interim Report Number Three, Committee on the Costs of Education, Queen's Printer and Publisher, Toronto, 1973.

for school bus services varies greatly from one board jurisdiction to another. Most of the expenditures by school boards for these purposes are included in "extraordinary expenditures". Because "extraordinary" expenditures have implications for the overall financing of education, we have included in this study some reference to the recommendations made in the two earlier Interim Reports. For a more complete discussion of "extraordinary" expenditures, recourse should be had to those documents.

In this Report, expenditures for elementary and secondary education for the province as a whole include the amounts for all school boards. In 1973, there was a total of 205 boards. Of these, 36 were small Public School boards, 12 were small Roman Catholic Separate School boards, and two were Protestant Separate School boards. Another 29 were boards having jurisdiction in the Department of National Defence areas, Ontario Hydro centres, hospitals, treatment centres, and in other areas not normally assessed for school purposes. The 36 Public School boards and the 12 Roman Catholic Separate School boards referred to above are all located in the more sparsely settled areas in the districts of Northern Ontario. Where the enrolment for one of these boards is below 300, it is designated as an "isolate" board and is financed in a different manner from other boards. Boards providing education in Department of National Defence areas are financed by the Federal government and the Ontario government, the latter paying 50 per cent of approved costs. Still other arrangements apply to hospital and treatment centre schools. The cost of operating schools in these special categories is a very small proportion of the total cost of operation of all elementary and secondary schools in the province. Consequently, where we have referred to particular school boards, we have confined our analysis largely to the 76 boards of education, the Metropolitan Toronto School Board, and the 49 Combined Roman Catholic Separate School boards, which together account for all but a small proportion of the total expenditures.

In the course of our study of the financing of education, we have drawn on sources and resources in many jurisdictions. Consultations were held with officials of the nine departments of education in the other provinces of Canada and with representatives of the major cities in some of

those provinces. Studies of educational finance in Canada by teacher organizations and trustee groups were most helpful to us. Reference was made to a number of scholarly studies developed in the graduate schools of education in Canada. Attendance at numerous conferences provided knowledge of current thinking and experimentation in educational finance. Briefs were presented to the Committee by school boards, teacher organizations, trustee groups, supervisory and administrative officers, and municipal councils, as well as other bodies representative of the community. Officials of the Ministry of Education and of school boards provided data and other information that became the bases for much of our analysis. Reference was made to the reports and supporting research projects of three major studies^{3,4,5} of school finance in the United States. In addition, the consulting firm of Price Waterhouse Associates was retained to provide additional material about the financing of education in Ontario for the consideration of the Committee. To all of those whose help and advice assisted us in this important area of our investigation, we wish to express our gratitude and thanks.

While limitations of space have necessitated a rigid selection of the material to be included in support of the recommendations we have made, it is our hope that the Report is complete enough to provide the basis for some understanding by the public of present practices and of our proposals for improvement in the area of educational finance. Too little attention has been paid to this important area by scholars in the field of educational administration in Ontario. Encouragement should be given to them to develop experimentation and innovation on a continuing basis as new data become available. Hopefully, our recommendations will provide some new initiatives and will point the way to improved methods of providing the resources necessary to finance the elementary

³Fleischmann, Manly (Chm.), Report of the New York State Commission on the Quality, Cost and Financing of Elementary and Secondary Education, The Commission, New York, 1972.

⁴McElroy, Neil (Chm.), Schools, People and Money: The Need for Educational Reform, Final Report of The President's Commission on School Finance, Washington, 1972.

⁵Financing School Facilities in the United States, National Education Finance Project, Gainesville, Florida, 1972.

and secondary schools in Ontario. If this Report makes a contribution to the attainment of these objectives, it will have served a useful purpose.

CHAPTER 1

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

Introduction

The method of financing elementary and secondary education in Ontario incorporates many of the principles enunciated by the pioneer theorists in the field of educational finance. The province still compares favourably with most jurisdictions in the means by which it makes available the financial resources to enable the school system to operate. Inequalities of educational opportunity and inequities in the distribution of the tax load for education are, however, still characteristic of the Ontario school system. Some of the problems have their origin in widely disparate amounts of money per pupil provided in different school board jurisdictions, in the assessment practices used to determine property taxes, in the variation in local mill rates for education, in the limitation on planning imposed by the unavailability of the grant Regulation until well into the fiscal year for school boards, by the complexity of the Regulation, and by some of the restrictive measures imposed by it. The proposals in this chapter are designed to reduce the negative impact of some of these conditions and practices or to eliminate the adverse effects of others by the introduction of new measures and procedures.

In this section of the Report, the findings and conclusions on which a recommendation is made are presented in summary form preceding the recommendation. To assist the reader in understanding some of the technical terms used in the grant Regulation, several definitions are provided below. For more detailed information about these and other references, recourse should be had to the Regulation.¹

"ordinary expenditure" - The amount of a school board's net expenditure for current operating purposes.

"recognized ordinary expenditure" - The amount of a school board's ordinary operating expenditure eligible for grant

¹Regulation - General Legislative Grants 1974, Ontario Regulation 200/74, Ministry of Education, Toronto, 1974.

from the Ministry of Education at the board's rate of grant on this type of expenditure.

"unrecognized ordinary expenditure" - The amount of a board's ordinary expenditure not eligible for legislative grant.

"extraordinary expenditure" - The amount of a school board's expenditure for purposes that vary in extent of need from board to board but which are mainly for pupil transportation and for payments of principal and interest on debentures for school buildings.

"recognized extraordinary expenditure" - The amount of a school board's extraordinary expenditure eligible for grant from the Ministry of Education at the board's rates of grant on this type of expenditure.

"unrecognized extraordinary expenditure" - The amount of a board's extraordinary expenditure not eligible for legislative grant.

"ceiling" - The basic maximum expenditure per pupil, before application of any weighting factors, that a board can make for current operating purposes during its fiscal calendar year.

"grant weighting factor" - An allowance that permits a board to make expenditures in excess of the basic ceiling because of certain programs conducted by the board or in recognition of particular circumstances applicable to the board. The sum of the allowances for these purposes is the factor that, when applied to the ceiling, increases the maximum amount of the board's ordinary expenditure eligible for grant.

"expenditure weighting factor" - An allowance that permits a board to make expenditures in excess of the basic ceiling increased by the grant weighting factor. The expenditure

in excess of the basic ceiling multiplied by the grant weighting factor is not eligible for grant.

There are certain other terms introduced in this Report that are defined as follows:

"uniform expenditure limit" - The basic uniform amount per pupil that a school board may spend for current operating costs.

"uniform mill rate on equalized assessment" - The common mill rate applicable to all taxable property in the province for the support of the current operations of a school board within the uniform expenditure limit.

"discretionary mill rate" - The mill rate to be determined by a school board (i) to finance expenditures for current operations that cannot be met within the uniform expenditure limit; or (ii) to finance permanent improvements from current revenues.

"debenture debt mill rate" - The mill rate required to finance the portion of the annual payment of principal and interest on debentures not provided by legislative grant.

A. Assessment

(a) Assessment and Reform in Financing of Education

The procedures and practices used by almost all municipalities in the assessment of real property before 1970 had been outmoded and outdated for many years. They produced inequities and unfairness in the distribution of the tax load among different types of property within the same municipality, among municipalities, and in the rate and amount of general legislative grants to school boards. The decision of the province in 1969 to assume responsibility for assessment gave promise of some reconciliation of the disparities that had existed and of achievement of greater equity in distribution of taxation. But continuation of the assessments

in effect in 1970 to the time when the province could carry out complete reassessment has resulted in the perpetuation of old inequities, compounded by changes in property values that have taken place since then.

The province had indicated its intention to make new market value assessments available in 1974 for introduction for taxation purposes in 1975. These proposed actions have now been postponed until 1976 and 1977 respectively. The reason given for the deferral is that "the real estate market has become unpredictably volatile with prices rising at unprecedented rates in many urban and resort areas".² Apparently, the reassessed values, although realistic at the time they were made after 1970, became outdated by late 1973. Consequently, the decision was made to retain the old assessed values for two additional years. It is difficult to understand how the delay in implementation will alleviate the impact of the major adjustments in assessment that will be compounded in the period from 1974 to 1976, given the continuing increase in the market value of properties in many communities across the province. It is more likely that the situation will be worse, ultimately requiring more severe corrective measures than would have been necessary in 1975.

It was our original intention to recommend changes in the methods of financing education for implementation in 1975, coinciding with the introduction of the new market value assessments. Because we believe that there is a real need to introduce new measures to alleviate at least some of the existing inequities in taxation for education at the local level, we are now proposing that implementation of our recommendations begin in 1976, using existing equalized assessment values. Then, when market value assessment is finally introduced, the transition in 1977 and subsequent years will be more orderly and less disruptive in terms of the impact of the inevitable redistribution among property owners of the tax load for education purposes.

²Legislature of Ontario Debates, No. 101, October 18, 1973, Office of the Speaker, Toronto, 1973, p. 4406.

WE RECOMMEND,

(1) THAT THE CHANGES WE PROPOSE IN THE FINANCING OF EDUCATION AT THE LOCAL LEVEL BE INITIATED IN THE TAXATION YEAR 1976, USING THE EQUALIZED ASSESSMENT IN EFFECT AT THAT TIME, WITH FURTHER ADJUSTMENTS TO BE MADE WHEN REASSESSMENT AT MARKET VALUE IS INTRODUCED IN 1977.

(b) Assessment Equalization Factors for Education

When municipalities were responsible for assessment prior to 1970, there were wide differences in the methods and procedures used to determine assessed property values. The result was that there was little comparability of assessments among municipalities. This created problems where there had to be an allocation of costs among municipalities for shared services, such as education. The province attempted to find a method whereby the local assessment for each municipality could be translated into an assessment that would result in a comparable relationship with assessments in all other municipalities. The objective was to permit a more equitable allocation among municipalities of the tax load for shared services and to provide the means for a fair distribution of provincial grants, particularly in the field of education. The device designed to achieve these objectives was the provincial "assessment equalization factors" instituted by the former Department of Municipal Affairs and continued in use by the present Ministry of Revenue. The complicated formula for the determination of assessment equalization factors has inherent deficiencies that prevent the factors from adequately achieving their intended purposes. The best that can be said for them is that they reduce significantly the disparities that would otherwise exist.

After 1970, when the province assumed responsibility for assessment, it "froze" existing assessed values in most municipalities until reassessment could be completed. The assessment equalization factors were also stabilized except for review where new exceptional circumstances developed. When these procedures resulted in some fluctuations in mill rates for education, that were considered undesirable or unacceptable, legislation to

amend The Ministry of Education Act and The Secondary Schools and Boards of Education Act was passed in 1972 to permit the Minister of Education to establish assessment equalization factors for educational tax purposes. In effect, authority for the determination of assessment equalization factors for education was transferred from the Ministry of Revenue to the Ministry of Education. This action made it possible for the Minister of Education to alter the apportionment of the requisition for education among municipalities in a board's jurisdiction and to change the determination of the rate of general legislative grant to a board. The assessment equalization factors, as determined by the Minister, are arbitrarily set with the objective of preventing fluctuations in local mill rates for education. While they minimize the impact of changes in assessment, they do little or nothing to overcome existing inequities and in some cases even contribute to their perpetuation and extension. The fact is that they are not based on sound assessment data but rather have as their purpose the stabilization of existing tax rates within relatively narrow limits, no matter how inequitable these may be. Obviously, two different sets of equalization factors, each intended to achieve comparability when applied to local assessments, cannot both be right. Means other than the production of a second set of assessment equalization factors should be found to meet the problems created by inadequacies of local assessment and the provincial assessment equalization factors provided by the Ministry of Revenue.

WE RECOMMEND,

(2) THAT THE AUTHORITY VESTED IN THE MINISTRY OF EDUCATION TO ISSUE AND REQUIRE THE USE OF A SET OF ASSESSMENT EQUALIZATION FACTORS, APPLICABLE ONLY TO EDUCATION AND ARBITRARILY DETERMINED, BE RESCINDED BY AMENDMENTS TO THE MINISTRY OF EDUCATION ACT AND THE SECONDARY SCHOOLS AND BOARDS OF EDUCATION ACT ON THE BASIS (A) THAT TWO SETS OF ASSESSMENT EQUALIZATION FACTORS APPLIED TO THE SAME LOCAL ASSESSMENT, EACH INTENDED TO ACHIEVE EQUITY IN THE ALLOCATION AMONG MUNICIPALITIES OF THE COSTS OF SHARED SERVICES AND IN THE DETERMINATION OF THE RATE OF LEGISLATIVE GRANTS AND, THEREFORE, OF THE AMOUNT OF THE GRANT, CANNOT BOTH BE CORRECT; (B) THAT IT SHOULD NOT BE A FUNCTION OF THE MINISTRY OF EDUCATION TO

MANIPULATE ASSESSMENT (I) AS A MEANS OF ARTIFICIALLY MAINTAINING EXISTING MILL RATES AND THEREBY PERPETUATING AN INEQUITABLE ALLOCATION AMONG MUNICIPALITIES OF THE COSTS OF EDUCATION; AND (II) AS A MEANS OF ARTIFICIALLY MAINTAINING THE RATE OF LEGISLATIVE GRANT, AND THEREFORE THE AMOUNT OF GRANT, SO THAT OLD INEQUITIES IN THE DISTRIBUTION OF LEGISLATIVE GRANTS AMONG SCHOOL BOARDS ARE PERPETUATED,

B. Local Taxation for Education

(a) Property Tax and Financing Education

Taxes on real property have been used to support education in Ontario since pioneer times. In the years immediately preceding 1945, the proportion of the total costs of education financed by property tax was about 85 per cent for the elementary and secondary levels taken together. Since then, the percentage, while subject to fluctuations from year to year, has been reduced and stood at slightly over 40 per cent in 1972. The amount of money raised by property taxes is greater than that produced by any other single tax at the provincial or municipal level. In 1972, approximately \$800 million was raised through property taxes to help finance the cost of education. Given the circumstances that now prevail, it is unrealistic and impractical to propose that property tax, as a means of support for education, should be abandoned. In spite of the admittedly regressive nature of the tax and other negative characteristics associated with it, there are some redeeming features. Whether, on balance, other forms of taxation are considered better is almost immaterial. It is our view that, realistically, the provincial government could not impose other taxes to compensate for the revenues for education now derived from property tax. There is still the question of whether it would be desirable, from the standpoint of quality education and the independence of school boards, to surrender property tax completely, even if it were possible to do so.

It is in our view still highly desirable to maintain and encourage the interest of the individual citizen and trustee in education in the local

community. The possibility of realizing this objective, and thereby enhancing the prospects for higher quality education through innovation and experimentation, is greater when there is some direct involvement by the public at the local level in the financial support of the schools.

The proportion of the costs of education that ought to be financed by property taxes is more difficult to determine. Substantial dependence on a single form of taxation at the local level and the limitations inherent in the property tax itself produce a highly inflexible source of revenue unable to cope with the adaptations required of the educational enterprise in a modern society. Consequently, the present 40 per cent contribution from local property tax towards educational costs is certainly a maximum proportion that can be provided from this source. Some authorities have proposed, and a few jurisdictions have adopted, a policy of complete abandonment of property tax for the support of education in favour of full state-funding. We believe that somewhere between these two positions there is a reasonable compromise level.

WE RECOMMEND,

(3) THAT TAXES ON REAL PROPERTY BE CONTINUED AS A SOURCE OF REVENUE FOR THE FINANCING OF EDUCATION, BUT THAT PROVISION, AS SET OUT IN SUCCEEDING RECOMMENDATIONS, BE MADE TO DECREASE THE PROPORTION OF THE COSTS PAID FROM THESE REVENUES.

(b) Existing Mill Rates for Types of Assessment

Under the provisions of Section 78 of The Schools Administration Act, different local mill rates are applicable for educational purposes for residential and farm assessment and for commercial assessment. The two rates are designated as "split mill rates". The method of calculation of the two mill rates is set out in the Act. The effect is to give preferential treatment to residential and farm assessment by setting its mill rate at 10 per cent less than the mill rate applicable to commercial and industrial property.

It is our view that it is highly desirable to avoid the "split mill rate"

for educational purposes. While there may be merit from the standpoint of the taxing authority in making highly visible the fact that commercial assessment is taxed at a higher rate than residential and farm assessment, few people, except those directly involved in the process, understand the method of calculation of the two rates. It would be simpler to explain that commercial assessment is taxed on the amount of actual commercial assessment and that residential and farm assessment is taxed on 90 per cent of the actual assessment. If this were done, it would be possible to eliminate for educational purposes the split mill rate between classes of assessment. Whether the actual residential and farm assessment should be reduced to 90 per cent to arrive at an amount to which the mill rates for education should be applied is a matter beyond our purview. The percentage of the actual residential and farm assessment or other type of assessment to be used for tax purposes is obviously a political decision.

WE RECOMMEND,

(4) THAT THE PRESENT LEGISLATION, CONTAINED IN SECTION 78, SUBSECTION (1) OF THE SCHOOLS ADMINISTRATION ACT, FOR THE CALCULATION FOR EDUCATION PURPOSES OF THE MILL RATE APPLICABLE TO EACH OF RESIDENTIAL AND FARM ASSESSMENT AND OF COMMERCIAL ASSESSMENT, AND KNOWN AS THE "SPLIT MILL RATES", BE RESCINDED; THAT THE OBJECTIVE OF THE LEGISLATION BE ACHIEVED BY USING 90 PER CENT OF THE RESIDENTIAL AND FARM ASSESSMENT AND THE ACTUAL COMMERCIAL ASSESSMENT AND APPLYING COMMON MILL RATES TO THESE AMOUNTS,

(c) Uniform Mill Rate on Equalized Assessment for Operating Costs

The deficiencies of local assessment and of provincial equalization factors were demonstrated clearly when the county and district school boards were established in January, 1969. When educational services were provided by one board for a greatly increased number of municipalities, equalized assessment became far more significant in the allocation of the educational tax load among the constituent municipalities. In 1969, local mill rates for education fluctuated over a wide range and caused in-

creases in the amount of taxes for education over those in effect in many municipalities in 1968. The additional general legislative grants provided in 1969 were inadequate to compensate for the new distribution of local taxation for those municipalities where increases were involved. The Department of Education had to introduce additional subsidy measures to alleviate to some extent the impact of increased taxes. Other municipalities were the beneficiaries of lower mill rates and reduced taxes as a result of the redistribution of the school board levy.

Under existing procedures, the introduction of market value assessment in 1977 will result in similar, or even greater, adjustments as a result of redistribution of the educational tax load among types of property within the same municipality, reallocation of the proportion of school board levies borne by municipalities, and readjustment in the rate of grant for school boards on approved expenditures.

The problems associated with the implementation of reassessment will not be resolved and the inequities that exist in the distribution of taxation on property will not be removed by the creation of new artificial assessment equalization factors that largely nullify the effect of market value assessment. A plan to be implemented over a period of several years is required to avoid exaggerated fluctuations in any one year in the amount of property taxes paid by each taxpayer, to permit progress towards equity in the distribution of the tax load among property owners, and to ultimately achieve a degree of stability in local taxation for education.

There are many reasons why greater stability in local taxation for education is necessary. In the administrative area, a real source of difficulty is the procedure whereby the province determines the amount of the grants it will provide to a board while the board and its constituent municipalities must raise by property tax the difference between the amount of the grant and the total budgeted expenditure. In spite of exhortations to school boards by the Ministry of Education to plan their programs well in advance, the Ministry does not issue its Regulation governing general legislative grants until well into the board's fiscal calendar year. For example, while information about ceilings and weighting factors was provided in the latter part of 1973, for application in 1974, the Regulation,

which has significant implications for budgeting by school boards, was not released until April 4, 1974, three months into the board's fiscal year. When the Regulation was finally received, it made necessary a revision of the boards' budgets in the light of the grants to be made available and the expenditures to be permitted. Whatever revisions are required, it is unlikely that rational decisions will be made in the haste necessary to permit the requisition to go to the municipal councils at the earliest possible date. The procedure makes short-term planning most difficult and long-term planning almost impossible.

The date set in legislation for submission of a board's estimates to the council of each municipality is March 1. The fact that even this late date cannot be met because of delay in provision of information in the Regulation governing general legislative grants makes it most difficult for municipal councils to plan their programs. Undoubtedly, the tax rate for educational purposes determines to some extent the tax rate that many councils can set for municipal purposes. Consequently, municipal councils cannot plan their programs adequately. If the mill rate for education is known well in advance, municipal councils can plan their own programs with full knowledge of the total tax load to be borne by their taxpayers. In addition, the functions performed by the municipal council in the distribution of tax notices and in the collection of taxes for school boards and for its own purposes are made more difficult by the unavailability of the essential information early in the calendar year.

The demands on the property tax as almost the sole source of revenue for municipalities are already so great that there is little room for flexibility to meet increasing costs of existing municipal services and the rising expectations for new programs. The regressive nature of the property tax imposes an increasing burden on those least able to meet increasing costs of education. Over a period of years, the province has introduced a number of programs, including tax rebates and income tax credits, designed to alleviate the impact of increasing municipal taxation. But still the problem remains. It is our view that, if equality of educational opportunity is to be achieved, in so far as the amount of financial resources make this a possibility, the basic expenditure

per pupil for operating costs should not be determined by its effect on local mill rates. For these and other reasons that we have elaborated on in the body of this Report, we have concluded that drastic modifications in the present arrangements for the financing of education should be adopted.

The new initiatives that we propose are designed to achieve greater equity in distribution of the tax load on real property, in so far as the nature of this tax permits. It is our view that the component of the property tax devoted to ordinary operating expenditures common to all boards ought to be borne at the same tax rate on equalized assessment regardless of the geographic location of the property in the province. This principle has been applied to the "isolate" boards in Northern Ontario for several years. If there is to be equality of educational opportunity, it seems reasonable to assume that there ought to be equity in allocation of the resources necessary to achieve it. Assessment at market value will do much to equalize the relative contribution for education from community to community. As another substantial dimension in the direction of achieving greater equity, we believe that a uniform mill rate based on equalized assessment should be established for each of the elementary and secondary levels of the educational system. This mill rate at each level should be determined by the province for 1976. Provision should then be made for a program that would attain the designated mill rate on a gradual basis over the next few years.

WE RECOMMEND,

(5) THAT THE PROVINCE, THROUGH THE MINISTRY OF EDUCATION, ESTABLISH, IN CONSULTATION WITH SCHOOL BOARDS, A UNIFORM MILL RATE FOR ALL MUNICIPALITIES BASED ON EQUALIZED ASSESSMENT FOR EACH OF THE ELEMENTARY AND SECONDARY SCHOOL LEVELS FOR THE SUPPORT OF EDUCATION WITHIN UNIFORM EXPENDITURE LIMITS; AND THAT THE UNIFORM MILL RATES ON EQUALIZED ASSESSMENT FOR THE TWO LEVELS BE DETERMINED FOR 1976, AS TARGETS TOWARDS WHICH PROGRESS WOULD BE MADE IN SUBSEQUENT YEARS.

(d) Progress Towards Uniform Mill Rate

Because of the disparity in equalized mill rates already existing among municipalities, it will not be possible for all of them to move immediately to the uniform mill rate on equalized assessment to be established for 1976. Provision will have to be made for progress towards the uniform mill rate over a period of years. Municipalities in which existing equalized mill rates for ordinary operating costs will already be at the newly-established uniform mill rate, will not require adjustment and will maintain the same level until all other municipalities reach the uniform mill rate. Where existing equalized mill rates are considerably above or below the new uniform mill rate for this purpose, an annual adjustment will have to be made until the established uniform level is reached. For municipalities with the greatest variance in 1976, the number of years required to reach the uniform level will be greatest, perhaps as long as five or more years. Undoubtedly, some upward adjustment in the amount of general legislative grants would facilitate attainment of the uniform level.

WE RECOMMEND,

(6) THAT, WITH THE ESTABLISHMENT FOR 1976 OF A UNIFORM MILL RATE ON EQUALIZED ASSESSMENT FOR ALL MUNICIPALITIES FOR THE SUPPORT OF OPERATING COSTS OF EDUCATION WITHIN UNIFORM EXPENDITURE LIMITS, PROVISION BE MADE FOR ANNUAL ADJUSTMENT FROM THE EXISTING EQUALIZED MILL RATE LEVELS UNTIL, BY A TARGET DATE OF 1980, THE ESTABLISHED UNIFORM MILL RATE ON EQUALIZED ASSESSMENT FOR THIS PURPOSE IS ATTAINED BY ALL BOARDS.

(e) Discretionary Mill Rate on Equalized Assessment

In Ontario, there has been a tradition that a school board could determine the amount of the expenditures for education that it would approve annually. In the determination of this amount, consideration was given to the amount of the legislative grants that the board could expect to receive. The expenditure to be made in excess of the amount of the grants usually depended on the impact it would have on local mill rates.

In historical perspective, this system seems to have worked remarkably well. Trustees were responsible for the amount of taxes to be raised locally and could be held accountable for their decisions at the ensuing election.

But by the end of the 1960s and the first two years of the 1970s, there was mounting opposition to the continuing increase in the costs of education. Some of the problems that resulted in this criticism had their origin in the inadequacies of the assessment system rather than in actual expenditure increases. In any case, the then Department of Education responded by imposing ceilings on school board expenditures in 1971. As a result of that decision, school boards lost the freedom and authority to decide the amount of the expenditures for operating costs and thereby the right to determine the amount of the local contribution to the costs of education. The decision of the Ministry and the limitations it imposed on school boards have been the source of considerable controversy.

While it is our view that some limitation on expenditures by school boards is desirable, we also believe that boards should be permitted a degree of flexibility to raise taxes and to make expenditures beyond the levels necessary to fund the essential program supported through the uniform mill rate on equalized assessment and the general legislative grants. Examples of items that might be financed with these supplementary funds are (a) any portion of transportation costs not approved for grant at the 100 per cent level, (b) the cost of innovative and experimental programs beyond those possible within the basic uniform expenditure limit, (c) additional expenditures for purposes normally covered by the uniform expenditure level.

To permit supplementary expenditures at the option of the school board may appear to be somewhat of a contradiction of the principle of equality of funding which is the basis of the uniform mill rate on equalized assessment for the essential program. However, we propose that the additional expenditures permitted at the option of a board be financed wholly from local taxation and that no legislative grant be paid on them. Consequently, taxpayers in other parts of the province will not be contributing to special benefits that will be realized in a jurisdiction where the board decided to make supplementary expenditures. The trustees would be accountable to

their local taxpayers for their decision to impose additional taxation to fund these expenditures. It is our contention that school boards and their communities ought to be permitted some flexibility to provide additional programs as long as they pay for them themselves. For the central authority to deny this freedom would be arbitrary and indefensible.

We believe, however, that the authority of school boards to impose additional taxes and to make supplementary expenditures should not be unlimited. Maximum limits applicable to all boards should be established to avoid the possibility of excessive taxation for this purpose and the amount of the additional expenditures should be limited to the revenues raised through the discretionary mill rate. Our studies suggest that, on the basis of present assessment values, a discretionary mill rate should be permitted up to one mill on equalized assessment for an elementary school board and up to one-half mill of equalized assessment for a secondary school board. The difference of one-half mill between the two levels is explained by the fact that the assessment for secondary school purposes is the sum of the assessment for Public School boards and Separate School boards and that the number of pupils is fewer at the secondary level. It is recognized, of course, that the amount of revenue derived from the same equalized mill rate will vary from board to board because of differences in the amount of equalized assessment available to the boards. The number of pupils enrolled by each board will also influence the supplementary amount per pupil that may be expended. Some boards will not wish to impose additional taxation up to the limits permitted, while others will feel that they require the maximum amount. When it is considered that the expenditures permitted by revenues from the discretionary mill rate are to provide programs, goods and services beyond those required for the essential programs, that they are not subject to grant, that they are within controlled limits, and that the decision to make them rests with each board, we believe that they can be justified. We are fully aware of the possible interpretation that some inequality is involved. We have given due consideration to this point, but we believe that the need for a degree of flexibility is an overriding consideration.

WE RECOMMEND,

- (7) THAT SCHOOL BOARDS BE PERMITTED TO IMPOSE A DISCRETIONARY

MILL RATE SUPPLEMENTARY TO THE UNIFORM MILL RATE REQUIRED TO FINANCE THE UNIFORM EXPENDITURE LEVEL; THAT THE DISCRETIONARY MILL RATE BE PERMITTED TO A MAXIMUM OF ONE MILL ON EQUALIZED ASSESSMENT FOR AN ELEMENTARY SCHOOL BOARD AND TO A MAXIMUM OF ONE-HALF MILL ON EQUALIZED ASSESSMENT FOR A SECONDARY SCHOOL BOARD; THAT REVENUES FROM THIS TAXATION BE USED FOR EXPENDITURES IN EXCESS OF THE UNIFORM EXPENDITURE LEVELS; AND THAT LEGISLATIVE GRANTS NOT BE PAID ON EXPENDITURES FINANCED FROM REVENUES DERIVED FROM THE DISCRETIONARY MILL RATE.

(f) Reserve for Working Funds

The School Acts permit boards to make provision for a reserve for working funds. These funds are used to pay accounts when revenues from legislative grants and payments on property tax have not yet been received or when they are inadequate to finance a board's operating costs at a particular time during the board's fiscal calendar year. The reserve for working funds enables a board to meet its commitments on time without the necessity of borrowing from the banks or, at least, reduces the amount of bank borrowings by the board. The savings by avoidance of interest charges are often substantial. However, these savings are realized at the expense of the taxpayer from whom the reserve funds are raised through taxation.

Under existing legislation a board may each year raise a sum not in excess of five per cent of the expenditures of the board for the preceding year. Where the sum accumulated in the reserve is equal to, or more than, 20 per cent of such expenditures, no further amount may be provided.

It is our view that the provision for some working funds is a good business practice. But the present maximum limits are extremely excessive. They make it possible for school boards to impose property taxes for working funds beyond their needs at a time when many taxpayers are hard pressed to meet legitimate tax obligations. We have concluded, therefore, that the limits ought to be drastically reduced.

It is our view that the maximum sum a board should be permitted to accumu-

late as a reserve for working funds should not exceed five per cent of the board's budget in any year. Given the high grant rates that now prevail, the provision for payment by the province early in the year of instalments on legislative grants, and our recommendations for financing at the local level, five per cent will be adequate to meet any but the most unusual circumstances. We also believe that any amount to be raised in any year for working funds should be part of the amount to be realized from the discretionary mill rate.

Where a board has already accumulated a reserve for working funds that is in excess of five per cent of its current budget, the excess should be applied to reduce any discretionary mill rate that might be contemplated. In any year, expenditures that would normally be financed by revenues from the discretionary mill rate should not be allowed to exceed the amount provided by a combination of any excess amount from the reserve for working funds and revenues from a reduced discretionary mill rate.

WE RECOMMEND,

(8) (A) THAT THE EXISTING PROVISIONS IN THE SCHOOL ACTS FOR THE ESTABLISHMENT BY SCHOOL BOARDS OF A RESERVE FOR WORKING FUNDS BE AMENDED;

(B) THAT, IN FUTURE, ANY PROVISION FOR A RESERVE FOR WORKING FUNDS BE MADE WITHIN THE LIMITS OF THE AMOUNTS PERMITTED BY THE DISCRETIONARY MILL RATE;

(C) THAT THE ACCUMULATED AMOUNT FOR ANY RESERVE FOR WORKING FUNDS NOT EXCEED FIVE PER CENT OF THE BOARD'S BUDGET IN ANY YEAR;

(D) THAT WHERE A BOARD ALREADY HAS IN A RESERVE FOR WORKING FUNDS AN AMOUNT IN EXCESS OF FIVE PER CENT OF ITS BUDGET, THE EXCESS BE APPLIED TO REDUCTION OF THE DISCRETIONARY MILL RATE IN SUBSEQUENT YEARS UNTIL THE AMOUNT IN THE RESERVE FOR WORKING FUNDS IS WITHIN THE LIMIT OF FIVE PER CENT OF THE BOARD'S BUDGET; AND

(E) THAT, WHEN AN EXCESS AMOUNT IN THE RESERVE FOR WORKING FUNDS IS APPLIED IN LIEU OF THE IMPOSITION OF A DISCRETIONARY MILL RATE IN ANY YEAR, THE AMOUNT OF THE SUPPLEMENTARY EXPENDITURES NOT BE PERMITTED TO EXCEED THE AMOUNT OF THE REVENUES THAT WOULD HAVE BEEN RECEIVED IF THE MAXIMUM DISCRETIONARY MILL RATE HAD BEEN IMPOSED FOR THAT YEAR.

(g) Provision for Permanent Improvements from Current Revenues

A school board may make expenditures from current funds in any year for permanent improvements as defined in The Schools Administration Act.³ Authority to make expenditures for these purposes is found in each of The Public Schools Act,⁴ The Secondary Schools and Boards of Education Act,⁵ and The Separate Schools Act.⁶ The total maximum permissible expenditure for items including school sites, instructional buildings, non-instructional facilities, and initial payments or contributions for past service pensions to a pension plan, together with any sum allocated to a reserve fund, is at present limited to the calculation based on one mill on the total of the equalized assessments supporting a board. The Metropolitan Toronto School Board is an exception to this provision because it is permitted higher limits.⁷

In our Second Interim Report, which dealt with school building programs,

³The Schools Administration Act, Section 1, subsection (2), paragraph 18.

⁴The Public Schools Act, Section 51, subsection (1), clause (b), paragraph (iv), as amended by The Public Schools Amendment Act, 1972, Section 14.

⁵The Secondary Schools and Boards of Education Act, Section 31, subsection (1), clause (d), paragraphs (i) and (ii), as amended by The Secondary Schools and Boards of Education Amendment Act, 1972, Section 7.

⁶The Separate Schools Act, Section 65, clause (d), as amended by The Separate Schools Amendment Act, 1972, Section 21.

⁷School Building Programs, Interim Report Number Two, Committee on the Costs of Education, Queen's Printer and Publisher, Toronto, 1972, pp. 111-112.

we recommended that the maximum expenditure by a board for permanent improvements be reduced to one-half mill on equalized assessment. In the same Report, we recommended that legislative grants be paid at the rate of 100 per cent on expenditures by a board for approved instructional buildings.⁸ Since the provision of a water supply is normally included in the costs of an instructional building, we propose that expenditures from current revenue for permanent improvements for instructional buildings, and where necessary, for water supply that are within the limit of one-half mill on equalized assessment and that are approved by the Ministry of Education, receive grant at the rate of 100 per cent.

In another earlier Report,⁹ we recommended that legislative grants be paid at the rate of 100 per cent on expenditures by a board for approved regular transportation costs. Since the acquisition of a bus, or other pupil transportation vehicle, is normally part of the cost of transportation, we propose that approved expenditures from current revenue for this purpose be included in the provision of 100 per cent grant.

The Ministry of Education would require prior approval of the amount of the expenditure for a permanent improvement for each instructional building project within the limit of one-half mill on equalized assessment and for each contract for the purchase of a pupil transportation vehicle. In this way, the Ministry would be able to ensure that the proposed expenditures were reasonable and acceptable.

For other permanent improvements that may be financed from current revenues, including the acquisition of furniture, furnishings, library books, instructional equipment and apparatus, and equipment required for maintenance of the property, we would permit a number of alternatives. It may be that boards would have some funds within the uniform expenditure limits that would not be required for ordinary operating purposes and which could be applied to the purchase of these items. This possibility

⁸ Ibid, pp. 20-21.

⁹ Pupil Transportation, Interim Report Number Three, Committee on the Costs of Education, Queen's Printer and Publisher, Toronto, 1973, p. 12.

would encourage boards to exercise economy within the uniform expenditure limits. Any further necessary expenditure for these purposes would have to be financed within a limit of one-half mill on equalized assessment for permanent improvements. The funds for permanent improvements would be financed by an addition to the discretionary mill rate recommended earlier and would not exceed one-half mill on equalized assessment for each board. Expenditures for the purposes set out at the beginning of this paragraph and made within the limit of one-half mill would not be eligible for grant.

WE RECOMMEND,

(9) THAT THE TOTAL SUM TO BE PROVIDED BY A SCHOOL BOARD FROM CURRENT REVENUE FOR PERMANENT IMPROVEMENTS, AS DEFINED IN PARAGRAPH 18 OF SUBSECTION (2) OF SECTION 1 OF THE SCHOOLS ADMINISTRATION ACT, TOGETHER WITH ANY RESERVE TO BE PROVIDED FOR THIS PURPOSE, BE LIMITED TO THE REVENUES FROM A MAXIMUM OF ONE-HALF MILL ON EQUALIZED ASSESSMENT OF THE BOARD; THAT, WHERE SUCH PROVISION IS MADE, IT BE SUPPLEMENTARY TO THE BASIC DISCRETIONARY MILL RATE OF THE BOARD; AND THAT IT BE INCLUDED IN THE TOTAL DISCRETIONARY MILL RATE,

(h) Debenture Debt Mill Rate

The indebtedness of school boards for debentures issued prior to 1971 stands at \$1,083,167,000 in 1974, with the payment of principal and interest in 1974 amounting to \$167,104,000. To these amounts must be added the indebtedness incurred, and the annual payment thereon, in each of the years 1971 to 1973 inclusive. A high percentage of the indebtedness is eligible for grant and the Ministry pays a high rate of grant on the annual payments of principal and interest. School boards, however, must provide the balance through local taxation. Over the years, the Ministry of Education has increased the rate of grant on expenditures approved for grant purposes. Consequently, school boards are raising through local taxation a lesser proportion of the cost of a capital project than they understood would be the case when the project was undertaken.

For reasons, as set out in detail in our Interim Report Number Two,¹⁰ we believe that in future the Ministry of Education should make 100 per cent of the cost of approved school accommodation projects eligible for grant and that no expenditure in excess of the approved cost should be permitted. Therefore, in the future, there would be no increase in local taxes for payment of principal and interest on any new debentures for instructional accommodation.

Because of the magnitude of the indebtedness for school construction, of the fact that a large proportion of the annual payment of principal and interest on this amount is already eligible for legislative grant, of the provision for high rates of grant on these payments, and of the understanding by boards that they would be responsible for part of the cost of each capital project when it was approved, we believe that school boards should continue to pay part of the cost towards the retirement of debentures issued in the past. The amount to be provided by school boards for past debentures will be a diminishing sum until ultimately it reaches zero. The only exceptions would be for projects such as school administration buildings or other construction not eligible for grant.

Until all old debentures have been retired, however, there will have to be continuing provision through local taxation for payment of the portion of the annual charge of principal and interest on outstanding debentures not provided by grants. We believe that there should be a separate mill rate designated specifically for this purpose and that taxpayers should be fully aware of the amount of their tax that is allocated to payments for capital purposes. If this is done, the amount of taxes applied to the operating costs of school boards will also be clearer and comparisons among boards will be made easier.

WE RECOMMEND,

(10) THAT ANNUAL PAYMENTS OF PRINCIPAL AND INTEREST ON OUTSTANDING DEBENTURES FOR SCHOOL BUILDING PROGRAMS CONTINUE TO BE FINANCED IN PART BY TAXATION ON REAL PROPERTY AND THAT THE

¹⁰ School Building Programs, op. cit., p. 20.

PORTION OF THE PAYMENT TO BE PROVIDED IN THIS MANNER BE
RAISED BY THE BOARD BY A MILL RATE DESIGNATED SPECIFICALLY
FOR THIS PURPOSE AND SHOWN SEPARATELY ON THE ANNUAL TAX NOTICE.

(i) Identification of Three Mill Rates for Education

Our recommendations for local taxation for education will result in three mill rates, each clearly identifiable for a particular purpose. The first will be a uniform mill rate on equalized assessment for all elementary school boards and a uniform mill rate on equalized assessment for all secondary school boards with a resulting total uniform mill rate for all taxpayers in all municipalities throughout the province. The revenues from this source will be applied to finance, in part, current operations of boards within the uniform expenditure levels established by the Ministry of Education.

The second will be an optional supplementary mill rate, to be designated the discretionary mill rate, that will be levied by decision of the school board, up to a maximum of one mill on the equalized assessment of an elementary school board and up to one-half mill on the equalized assessment of a secondary school board. The revenues from this rate will be used to finance expenditures in excess of the uniform expenditure levels. Expenditures financed from these funds will not be eligible for grant. In addition, a board will have authority to increase the discretionary mill rate by another one-half mill on equalized assessment. The revenues from this source will be used to finance from current funds permanent improvements as defined in The Schools Administration Act.

The third will be a debenture debt mill rate which will, in effect, be predetermined by the amount of debentures issued in the past. The revenues from this rate will be applied to finance the portion of the payment of principal and interest on outstanding debentures not provided by legislative grants. The mill rate will decline as debentures are retired over a maximum period of twenty years.

Because it is important that the public be fully aware of the purposes

for which their taxes are being used, tax notices should show clearly the categories of expenditure and the applicable mill rates for each.

WE RECOMMEND,

(11) THAT TAX NOTICES ISSUED BY THE MUNICIPALITY ON BEHALF OF SCHOOL BOARDS SHOW SEPARATELY THE THREE MILL RATES FOR EDUCATION AS FOLLOWS:

(A) A UNIFORM MILL RATE ON EQUALIZED ASSESSMENT FOR EACH OF ELEMENTARY AND SECONDARY SCHOOL BOARDS, THE REVENUES TO BE APPLIED TO FINANCE IN PART THE UNIFORM EXPENDITURE LEVEL FOR OPERATING PURPOSES;

(B) (I) A DISCRETIONARY MILL RATE ON EQUALIZED ASSESSMENT UP TO A MAXIMUM OF ONE MILL FOR AN ELEMENTARY SCHOOL BOARD AND OF ONE-HALF MILL FOR A SECONDARY SCHOOL BOARD, THE RATE WITHIN THESE LIMITS TO BE DETERMINED BY EACH SCHOOL BOARD AND THE REVENUES TO BE APPLIED FOR OPERATING PURPOSES AS THE BOARD MAY DECIDE;

(II) A DISCRETIONARY MILL RATE ON EQUALIZED ASSESSMENT UP TO ONE-HALF MILL ON EQUALIZED ASSESSMENT, THE REVENUES TO BE APPLIED TO THE FINANCING OF PERMANENT IMPROVEMENTS AS DEFINED IN THE SCHOOLS ADMINISTRATION ACT; SO THAT THE TOTAL MAXIMUM DISCRETIONARY MILL RATE FOR BOTH (I) AND (II) WILL BE ONE AND ONE-HALF MILLS ON EQUALIZED ASSESSMENT AT THE ELEMENTARY LEVEL AND ONE MILL ON EQUALIZED ASSESSMENT AT THE SECONDARY LEVEL; AND

(C) A DEBENTURE DEBT MILL RATE ON EQUALIZED ASSESSMENT TO BE DETERMINED BY THE PROPORTION OF THE ANNUAL PAYMENT OF PRINCIPAL AND INTEREST TO BE BORNE BY PROPERTY TAXES, THE REVENUES TO BE APPLIED TO THE RETIREMENT OF DEBENTURES ISSUED IN THE PAST,

WE FURTHER RECOMMEND THAT A DEFINITION OF THE PURPOSE OF EACH MILL RATE BE PROVIDED WITH THE TAX NOTICE,

(j) Proportion of Cost of Education to be provided by Property Tax

At the present time, approximately 40 per cent of the total costs of education are paid by revenues from local property tax. For 1972, the contribution from this source was approximately \$800,000,000. While we have already recommended the continuance of property taxation for the support of education, we have also made other recommendations that will decrease the proportion of the costs provided by local taxation. In two of our earlier Interim Reports,^{12,13} we proposed that the Ministry of Education pay grant at the rate of 100 per cent on both approved expenditures for transportation and for the annual payment on principal and interest for debentures issued in the future to provide school accommodation.

An important consideration in any reduction in the proportion of the costs of education financed by local taxation is the effect on the autonomy of school boards. It is our view that any action that would erode the authority and responsibility of existing boards should be resisted. It is difficult to determine the level of local support below which loss of autonomy occurs. But it is our view that, for reasons outlined elsewhere in this Report, the proportion of the current operating costs of school boards borne by local taxation should be gradually reduced to 33 1/3 per cent. Since this level of support will still ensure a degree of interest in educational decisions affecting the local community, we believe local autonomy will not be adversely affected.

Attainment of the objective of 33 1/3 per cent will take several years. It should be achieved in conjunction with progress towards the established uniform mill rate for the support of the uniform expenditure levels. Under the uniform mill rate proposal, the Ministry of Education will pay in grants the difference between the revenues from the uniform mill rate and the uniform expenditure levels. Consequently, the Ministry's contribution will increase but the amount of the increase will be tempered by additional assessment resulting from new construction and by declining enrolments.

¹²Ibid.

¹³Pupil Transportation.

WE RECOMMEND,

(12) THAT THE PROPORTION OF THE TOTAL CURRENT OPERATING EXPENDITURES OF ALL SCHOOL BOARDS BORNE BY LOCAL PROPERTY TAX BE DECREASED TO $33 \frac{1}{3}$ PER CENT; THAT PROGRESS TOWARDS THE LEVEL OF $33 \frac{1}{3}$ PER CENT BE MADE BY A PHASED REDUCTION OVER A PERIOD OF YEARS UNTIL THE GOAL IS REACHED BY THE TARGET DATE OF 1980; AND THAT THIS PROGRAM BE INTEGRATED WITH THE MOVEMENT TOWARDS THE ESTABLISHED UNIFORM MILL RATE, THE REVENUES FROM WHICH ARE TO BE APPLIED TO THE PAYMENT OF OPERATING COSTS WITHIN THE UNIFORM EXPENDITURE LIMITS.

C. General Legislative Grants

The earliest schools in Ontario were financed almost completely by parents, largely through produce and services, with little money involved. Then, as education gained in importance, government began to make contributions to assist in meeting the costs. With the creation of school boards and the development of a formal structure for the administration of education, there was a gradual increase in the amount of financial support provided from the central authority. This process has continued until today. The province, through the Ministry of Education, provides in general legislative grants an amount equivalent to approximately 60 per cent of the total expenditures of school boards for elementary and secondary education.

Regulation - General Legislative Grants

The legal basis for determination of the amount of financial assistance provided to a school board by the government is contained in the Regulation¹⁴ governing general legislative grants.

¹⁴ Regulation - General Legislative Grants 1974, Public, Separate and Secondary School Boards, Ontario Regulation 200/74, made under The Ministry of Education Act and issued by authority of the Minister of Education.

The government determines unilaterally the amount of money it will allocate to general legislative grants. At the present time, it has stated that its commitment is to pay to school boards a sum equivalent to 60 per cent of the total expenditures of all boards. Each board is required to provide through local taxation the difference between the total budget and the legislative grants. Therefore, the first step in the procedure for the financing of education at the board level is the information contained in the grant Regulation.

The Regulation influences to a considerable degree the size of the board's budget and the amount and rate of taxation for education in each municipality in the board's jurisdiction. Before 1971, the maximum expenditure level for each board for ordinary operating purposes was open-ended so that the board could determine its gross expenditure level for its fiscal year. The establishment of basic ceilings in 1971, and the introduction of grant and expenditure weighting factors, controlled assessment equalization factors, and subsidies, have resulted in a more precise definition of the financial parameters within which boards must operate. Other provisions of the Regulations that influence mill rates mean that the principle of involvement of the Ministry in the establishment of local tax rates for education is already in effect.

The procedure whereby the government decides on the amount of its general legislative grants as a first step in the financing of education at the local level creates real difficulties for school boards and their municipalities. When expenditures on education increase, the province can decide the additional amount that it will provide from its tax sources. The school boards and the municipalities are left to absorb the residual amount of any increase out of a single, largely-inflexible source - the property tax. The fact that for many persons the level of taxation on their homes has already reached the point where real hardship is created adds to the inflexibility of the property tax as a source of revenue. While the financial demands on the provincial government are of considerable magnitude, it has a greater variety of tax sources available to it than school boards and municipalities. At the same time, the province's sources are more buoyant and less regressive than the property tax.

Date of Release of Grant Regulation

School boards have to know the amount of the revenues that they can expect to receive in grants before they can confirm their budgets, determine the amount to be raised by local taxation, decide on the apportionment of the cost to be paid by each municipality, and issue their requisitions. For 1974, the Regulation was not released until April 4, 1974, more than one-quarter of the way through the fiscal year for school boards. Some boards were not able to complete their budgets until well into the month of May. The late release of the Regulation works against the development of adequate long-term planning and makes short-term planning by boards almost impossible. The delay causes confusion, waste, and administrative difficulties for both school boards and municipal councils. These problems have existed for many years and seem incapable of resolution under present procedure.

Complexity of Grant Regulation

The grant Regulation has become so complex that it is almost incomprehensible to all except those officials whose responsibility it is to deal with it. The language used and the method of presentation almost ensure this result. Part of the difficulty arises from the attempt to make provision for the wide range of circumstances and to allow for the great number of variables that apply to school boards across the province. In any case, it is our view that school trustees, taxpayers, and the general public should be able to understand the main principles on which the Regulation is based and the effect of those principles on their taxes and on the education provided. To achieve this objective will require a substantial change in the Regulation towards elimination of considerable detail, avoidance of unnecessary financial jargon, and a simplification of style and structure. Other examples of the complexities of the grant Regulation and their effects are analyzed in greater detail in Chapter 5.

(a) Need for Revision of Grant Regulations

It is our view that, for a variety of reasons, the Regulation governing general legislative grants is in need of drastic revision of many of its provisions. For too long it has attempted to meet new conditions and new

circumstances by adjustments and adaptations of the "band-aid" type.

The establishment of the county and district school boards in 1969 gave promise of substantial progress towards equality of educational opportunity for all children in Ontario. While considerable progress has been made in some areas, such as the provision of senior kindergartens for rural children, the Regulation governing general legislative grants has prevented realization of the potential inherent in the new administrative units. For example, the amount of money per pupil that could be spent has varied greatly from board to board. In 1972, the extremes at the elementary level were \$497.82 and \$806.37, or a difference of \$308.55, or 62 per cent. While the amounts of money spent per pupil may not be an exact criterion of the quality and variety of the educational programs offered in any two jurisdictions, when the difference is as great as \$308.55 per pupil there can be no doubt that equality of opportunity is impossible.

When the amount of one board's expenditure eligible for grant is \$497.82 and that of another board is \$674.54, or a difference of \$176.72, or 35 per cent, in favour of the higher-spending board, the inequity is compounded. Since all taxpayers in the province contribute to the payment of general legislative grants, those parents, whose children attend school under the jurisdiction of a board limited to an expenditure of \$497.82, actually contribute their taxes to make the disparity of \$176.72 per pupil possible. The revision for 1974, whereby all elementary school boards may spend to at least \$704 per pupil, will remove the legal restriction that prevented a board from spending more than a maximum of \$60 over its previous year's expenditure, a provision that existed for the three preceding years. In practice, however, there will still be a considerable difference in the amount of money per pupil that will be available to school boards and the amount that will be eligible for grant. Similar comments apply to the secondary level.

It is our view that, in order to move towards equality of educational opportunity and equity in distribution of the tax load for education, there should be a basic uniform expenditure level per pupil for operating costs for each of the elementary and secondary school levels, re-

gardless of the pupil's place of residence in the province. In so far as financial resources permit, the provision will ensure real progress towards equality of educational opportunity for all children. Together with our earlier recommendation for provision of a uniform mill rate on equalized assessment, the basic uniform expenditure level per pupil will result in as equitable a distribution of the tax load as the sources of revenue permit. The justification for the establishment of a basic uniform expenditure level per pupil for each of the elementary and secondary levels and the recommendation concerning them are provided in subsequent sections of this Report.

The basic uniform expenditure level per pupil for operating costs would be financed in part by the revenues from the uniform mill rate on equalized assessment. The balance would be paid by general legislative grants. The important change in this proposal is that the province would provide the residual amount between the revenues from local taxes and the total cost. This arrangement would give a degree of stability to the local tax rate for current operating purposes.

WE RECOMMEND,

(13) THAT THE MINISTRY OF EDUCATION PAY TO EACH SCHOOL BOARD IN GENERAL LEGISLATIVE GRANTS THE DIFFERENCE BETWEEN THE REVENUES DERIVED FROM THE UNIFORM MILL RATE ON EQUALIZED ASSESSMENT AT THE LOCAL LEVEL AND THE TOTAL EXPENDITURE CALCULATED BY MULTIPLYING THE BASIC UNIFORM EXPENDITURE LEVEL PER PUPIL AT EACH OF THE ELEMENTARY AND SECONDARY LEVELS BY THE ENROLMENT,

(b) Allowances for Declining Enrolment

In the Regulation for general legislative grants for 1974, the "adjusted average daily enrolment" for 1974 is based on average daily enrolment of resident-internal pupils for 1974 increased by 50 per cent for those who are trainable retarded children together with 60 per cent of the excess of the average daily enrolment for 1973 over the average daily enrolment

for 1974. The resulting calculation is used in the determination of the board's recognized ordinary expenditure for 1974 and the limitation on ordinary expenditure for 1974.

For boards with a smaller enrolment in 1974 than in 1973, the effect of the calculation is to permit a greater amount to be eligible for grant and to permit a greater expenditure than use of the actual average daily enrolment for 1974 would have allowed.

A second provision deals with "enrolment for grant purposes for 1974". In this case, enrolment on the last school day in September, 1973, is used in the calculation of the assessment per weighted pupil for 1974, the "assessment index" for the board, and the percentage rate of grant. For a board where the enrolment in 1974 is fewer than in 1973, the board receives a higher rate of grant on its recognized ordinary expenditure and higher rates of grant on its recognized extraordinary expenditure than the use of enrolment in 1974 would have permitted.

The use of enrolment data from 1973 ensures that additional funds are provided in 1974 for students actually enrolled in the latter year and that higher rates of grant are paid on expenditure eligible for grant. In the latter case, pupils who leave school between October 1, 1973, and December 31, 1974, continue to be counted in the calculation affecting grants for the complete fiscal year 1974. In a period of declining enrolments, it is not possible to reduce expenditures immediately by the full amount of the average cost per pupil for each pupil of reduced enrolment. Consequently, some adjustment to cushion the impact of the reduction is justifiable. The use of data from 1973 is intended to ensure that grants are paid on expenditures that a board is required to make in 1974 even though some pupils on whose behalf they were originally committed are no longer in attendance.

The dual allowance described above, however, is overly generous in terms of any obligation a board may have because of dropping enrolments. At the same time, the use of enrolment figures in September, 1973, imposes an inequity on boards whose enrolments are still increasing. There are still a number of boards in the latter category.

Earlier in this Report we have recommended that the amount of the legislative grant to a board for operating purposes be the difference between the revenues derived from the uniform mill rate on equalized assessment and the total expenditure determined by the basic uniform expenditure level per pupil multiplied by the enrolment. As a result, there will no longer be any need for calculation of a percentage grant to a board so that many of the existing complexities in the grant Regulation will disappear.

Among the calculations no longer required will be the "enrolment for grant purposes", "assessment per weighted pupil", and the "assessment index".

There will, however, continue to be a need for an enrolment figure by which to multiply the basic uniform expenditure per pupil for each board to determine the total expenditure permitted under this provision. Instead of the "adjusted average daily enrolment", it is our view that a simpler calculation should be used. Since the schools will be organized in September for the school year, and since the organization will persist to the end of June, we believe that the enrolment on the last school day of September of the previous year should be used as the enrolment for the period January 1 to June 30 of the board's fiscal year and that the enrolment on the last school day in September of the current fiscal year should be used for the period September 1 to December 31 of the board's fiscal year. The total enrolment for the board's fiscal calendar year would then be made up of six-tenths of the enrolment on the last school day of the previous September and four-tenths of the enrolment on the last school day of the current September.

WE RECOMMEND,

(14) THAT, FOR PURPOSES OF DETERMINING THE TOTAL EXPENDITURE BY A BOARD UNDER THE BASIC UNIFORM EXPENDITURE LEVEL PER PUPIL, THE ENROLMENT BE CALCULATED BY ADDING SIX-TENTHS OF THE ENROLMENT ON THE LAST SCHOOL DAY OF SEPTEMBER OF THE PREVIOUS YEAR TO FOUR-TENTHS OF THE ENROLMENT ON THE LAST SCHOOL DAY IN SEPTEMBER IN THE BOARD'S FISCAL YEAR.

(c) Classification of Expenditures

Under the Regulation¹⁵ for general legislative grants in 1974, "ordinary expenditure" is defined as the total revenue fund expenditure of a board less the sum of expenditures for thirteen designated purposes, and less the revenue fund revenue from sources other than from the twelve listed. "Extraordinary expenditure" in 1974 is defined as the sum of the expenditure from the revenue fund for eight purposes less the sum of revenue or amounts receivable for nine items.

Under the proposal whereby the Ministry of Education would pay in legislative grants the difference between the revenues raised from the uniform mill rate and the uniform expenditure limit for current operating costs, the classifications of expenditures would be greatly simplified. The division between ordinary and extraordinary expenditures can be greatly reduced. This is possible because of recommendations in two of our earlier Interim Reports,^{16,17} that transportation of pupils to and from school and from school to school be eligible for grant at 100 per cent of approved cost and that the annual payment of principal and interest on debentures for approved school accommodation provided in the future be eligible for grant at 100 per cent. These two recommendations are an integral part of our overall plan for an effective means of financing education. The bases for our recommendations are set out in the relevant Interim Reports and are not, therefore, described in this Report.

Where a board provides education for pupils of another board or for pupils who are the responsibility of the province, it would no longer be necessary to charge fees to meet any cost within the uniform expenditure limits. The admission of these non-resident pupils would not add to the local property tax since the cost at the local level would already be at a uniform mill rate on equalized assessment. However, if a board financed supplementary services through its discretionary mill rate, it would legitimately assess an amount for this purpose to the responsible body sending any non-resident

¹⁵Regulation - General Legislative Grants 1974, pp. 5, 7.

¹⁶School Building Programs.

¹⁷Pupil Transportation.

pupil to it. This would be an exceptional case involving a limited amount of money. Where an agreement exists between a school board and Canada for the education of children for whom Canada is responsible, it would still be necessary for the board to charge the cost of education for these children. These amounts would, of course, be deductible items before determination of the amount of grant payable to the board by the province.

(d) In the preceding section of this Report, we recommended that the proportion of the total expenditures for the province as a whole, as provided for by the basic uniform expenditure limits for operating purposes, be reduced gradually over a period of years to 33 1/3 per cent. This will mean, of course, that the number of dollars required to finance the proportion of 33 1/3 per cent will ultimately be provided through the uniform mill rate on equalized assessment for operating purposes by the target date of 1980. In the meantime, there will be a phasing-in period as progress is made towards the established uniform mill rate and the 33 1/3 per cent.

The corollary of the decrease in the proportion of the total cost for the province borne by the property tax will be an increase in the percentage of the cost within the basic uniform expenditure levels provided through legislative grants. Consequently, to the extent that a lesser amount is provided each year by the property tax, there will be a corresponding increase in legislative grants until the level of 66 2/3 per cent is achieved by the target date of 1980.

WE RECOMMEND,

(15) THAT THE PROPORTION OF THE TOTAL CURRENT OPERATING COSTS, WITHIN THE BASIC UNIFORM EXPENDITURE LEVELS, BORNE BY THE PROVINCE BE INCREASED TO 66 2/3 PER CENT; THAT PROGRESS TOWARDS THE LEVEL OF 66 2/3 PER CENT BE MADE BY A PHASED INCREASE OVER A PERIOD OF YEARS UNTIL THE GOAL IS REACHED BY THE TARGET DATE OF 1980; AND THAT THIS PROGRAM BE INTEGRATED WITH THE MOVEMENT TOWARDS THE ESTABLISHED UNIFORM MILL RATE ON PROPERTY AT THE LOCAL LEVEL.

While ceilings and weighting factors for school boards are set out in the Regulation regarding general legislative grants, they are of such significance that a separate section is devoted to each of them.

D. Ceilings

(a) Establishment and Operation of Ceilings

The costs of education increased at an unprecedented rate during the 1960s because of greatly increased enrolments; lower teacher:pupil ratios; rising salaries for teachers, administrators and support personnel; extension of programs in areas of special education; increased transportation; unprecedented school building; higher costs for supplies, equipment and services; and inflationary pressures. Even when all of these factors are taken into account, they do not explain fully the new levels to which expenditures have risen.

There is evidence to indicate that some of the former school boards made unnecessary expenditures in the last years of their existence in 1968. Other boards increased expenditures in 1969 and 1970 considerably beyond the levels eligible for grant support and thereby imposed a heavy burden on local taxpayers who had to bear the whole cost of the excess. Since the then Department of Education had made a commitment to pay 60 per cent of the cost of education, there was a need for a maximum amount to which this percentage would be applicable.

In 1971, the Department of Education, acting on the authority granted by an amendment to The Department of Education Act in 1968-69, established ceilings on the expenditures boards could make for ordinary operating purposes. Even though school boards were accountable to local taxpayers for the full amount of the expenditures they made, the Department also had some interest in the maximum amount expended because of its commitment to pay 60 per cent of the cost of education. The ceilings were intended to put some limit on future spending, to make necessary a closer examination of existing and projected programs on the basis of priorities, to eliminate unnecessary or unjustifiable expenditures, and to establish educational costs at realistic and defensible levels. For these and other reasons, we believe that the province was justified in the establishment of some limit

on the amount of expenditures by boards beginning in 1971. The great majority of boards, whose representatives appeared before the Committee, concurred in this belief. The main opposition came from teachers' organizations who expressed the view that the autonomy of school boards had been reduced by imposition of the ceilings.

The contention that the introduction of ceilings resulted in a reduction in the autonomy of school boards was considered by the Committee. In our view, school boards have never been autonomous in the sense that they could act in a completely independent manner. Their authority and responsibility are contained in Statutes passed by the Legislature and subject to amendment by that body. The Statutes also grant to the Ministry of Education authority to perform certain functions and to implement the provisions of Regulations. Consequently, the administration of education in Ontario is a cooperative and shared responsibility between the two bodies. This is exemplified by the method of financing educational costs where 60 per cent is provided by provincial general legislative grant and 40 per cent by revenues from the municipal property tax.

It is our view that, while the ceilings reduced the authority of school boards to tax as they wished, they did not, by themselves, seriously impair the freedom of boards to provide adequate educational programs. We do not agree, however, with some other aspects of the ceilings, the method of their determination, and the effects of the weighting factors on them. All of these areas will be considered later in this Report.

A number of problems arose because of the way in which the expenditure ceilings were determined and administered. In 1971, the basic ceiling was \$545 per pupil at the elementary level and \$1,060 at the secondary level. Since then, there has been no discernible pattern in the increases in dollar amounts or percentages, nor does there seem to be any logical justification for them in terms of increases in the costs of goods and services. Any reference to higher percentage increases at the elementary level that suggests some closing of the gap in the expenditure per pupil between the elementary and secondary levels is misleading. The fact is that between 1971 and 1974, the difference in terms of number of dollars, which is the really significant factor, has increased

in favour of the secondary level by \$12 per pupil. This preferential treatment has occurred in spite of the greater beginning salaries of teachers at the elementary level as a result of the requirement of higher academic qualifications.

Prior to 1971, a great many boards in the counties and districts throughout the province were spending considerably less per pupil than boards in the largest cities. The limitations placed on the amount of the annual increase over the previous year's expenditure prevented many of the lower-spending boards from reducing appreciably the difference in number of dollars they could spend when compared with the higher-spending boards. Then in 1974, the removal of any limit on the amount of the increase over the expenditure level of 1973 meant that, theoretically, the lower-spending boards could increase their expenditures at least to the basic ceiling of \$704 at the elementary level and \$1,231 at the secondary level.

In practice, it will not be possible for a number of boards to reach these levels in 1974 because of the increase that would be required in local mill rates to help finance part of the increased costs. It appears that an insufficient increase over the previous year's expenditure was allowed in each of the years 1972 and 1973 with a much larger increase permitted in 1974. It would have been preferable to establish a realistic increase each year over the period of three years to enable boards to come closer to parity in terms of expenditures.

While the establishment of expenditure ceilings of \$704 at the elementary level and \$1,231 at the secondary level for 1974 gives the impression of equality in the amount of money spent on each pupil's education at each level, these figures are greatly distorted by the application of weighting factors which are elaborated on in a subsequent chapter of this Report. Not only are there extreme differences among boards in the amount of money spent on each pupil but there are substantial differences in the amount of the expenditures on which grants are paid. In general, the boards that achieved high-spending levels before 1971 have been helped to maintain and consolidate that position, while the lower-spending boards have been limited in their ability to reduce the gap between them and their higher-spending counterparts.

In our judgment, it would be impractical to return to the former practice whereby school boards had authority to set their budgets as high as they desired. In addition to the tax implications involved, the result of this policy was that a wide disparity existed between the resources and opportunities provided for the education of children living in one community when compared with those provided in another municipality. The present practice that uses grant and expenditure weighting factors has perpetuated these differences. The grant weighting factors in particular have contributed in part to this result by the diversion of tax moneys paid to the province by all the citizens of Ontario to boards at the higher-spending levels.

(b) Basic Uniform Expenditure Levels for Operating Costs

It is our view that a basic uniform expenditure limit per pupil for operating costs should be established for each of the elementary and secondary school levels and that the limit should be made applicable to all boards at each level. These amounts would be used to provide the basic educational program. Each board would be given the freedom and authority to determine the programs it would offer within the financial limits permitted. The special circumstances in any board's jurisdiction would determine its priorities and, since the board would know its needs best, it would be in the best position to make the necessary judgments. It is our view that, for most boards, special problems in one area are matched by comparable problems of proportionate magnitude in other jurisdictions and that any attempt by the central authority, represented by the Ministry of Education, to order local priorities by different levels of expenditure and different amounts of those expenditures eligible for grant leads inevitably to injustices, inequities, and distortions. With the establishment at the local level of a uniform mill rate on equalized assessment to help meet the costs of the basic uniform expenditure for operating purposes, there will be a comparable contribution to local taxes, at least to the extent that assessment practices permit.

The establishment of a basic uniform expenditure level per pupil for operating costs would mean that for the educational program the amount of money provided would be the same regardless of the location of the child in Ontario. Provincial resources would make up the difference between

the amount of the revenues derived from the uniform mill rate on equalized assessment and the basic uniform expenditure level per pupil.

WE RECOMMEND,

(16) THAT A BASIC UNIFORM EXPENDITURE LEVEL PER PUPIL FOR OPERATING COSTS AT EACH OF THE ELEMENTARY AND SECONDARY SCHOOL LEVELS BE ESTABLISHED ANNUALLY AND MADE APPLICABLE TO ALL SCHOOL BOARDS AT EACH LEVEL; AND THAT SCHOOL BOARDS BE PERMITTED TO DETERMINE THE PROGRAMS THEY WILL OFFER AND THE PRIORITIES THEY WILL PURSUE WITHIN THESE LIMITS IN THEIR ENDEAVOURS TO PROVIDE THE BEST POSSIBLE EDUCATIONAL OPPORTUNITIES FOR THEIR PUPILS WHILE ACHIEVING AN EQUITABLE DISTRIBUTION OF TAX LOAD FOR THIS PURPOSE.

(c) Determination of Basic Uniform Expenditure Levels

The acceptability of any control by the Ministry of Education on expenditures by school boards depends to a considerable extent on the adequacy of the basic uniform expenditure limits and on the evidence presented to justify the amount of the annual increase permitted. No rationale to support the decisions made on either count has ever been given to the public or to the boards since the original ceilings were imposed in 1971. It is not sufficient for the Ministry to arrive unilaterally at arbitrary limits and annual adjustments on the basis of a number of dollars or a percentage of the previous year's expenditure which may be dictated by fiscal considerations without regard for their impact on the educational program. In Interim Report Number Four,¹⁸ we recommended the establishment of a Planning Branch in the Ministry of Education, staffed by highly competent personnel from the areas of education, economics, finance, demography, sociology, statistics, etc., each with knowledge of educational planning. It is to this body that the province should turn for the studies necessary to permit it to make realistic decisions about the amounts of the annual in-

¹⁸Planning, Part I, Interim Report Number Four, Committee on the Costs of Education, Queen's Printer and Publisher, Toronto, February, 1974.

creases to be permitted in the basic uniform expenditure levels for operating purposes. It is through these studies that consideration can be given to the effects of inflation, salary levels, supply costs, enrolment changes, and the like. When information of this kind is available, it should be widely disseminated to school boards; teacher, trustee and supervisory officer organizations; educational institutions; representative taxpayer bodies; and the general public. The contents of the studies conducted by the Planning Branch should form the basis for consultation with the organizations affected by any decisions to be made. Through consultation with all those concerned, it will be possible to take into account experience and views which may influence the ultimate decisions on amounts to be proposed. Of necessity, the government must reserve to itself the final decision about the amount of money it will commit from its resources for the support of education. But if it follows the route of consultation and if it explains and justifies its decisions, much of the acrimony that has been generated in the last three years can be avoided in the future.

WE RECOMMEND,

(17) THAT THE PROPOSED PLANNING BRANCH IN THE MINISTRY OF EDUCATION CONDUCT ON A CONTINUING BASIS DETAILED STUDIES OF ALL THE FACTORS, SUCH AS INFLATION, STATE OF THE ECONOMY, SALARY LEVELS, COSTS OF GOODS AND SUPPLIES, AND SERVICES, THAT HAVE AN IMPACT ON THE COSTS OF OPERATION OF SCHOOL SYSTEMS AND ON THE ANNUAL INCREASES IN THESE COSTS; THAT THE RESULTS OF THESE STUDIES BE WIDELY DISSEMINATED AMONG SCHOOL BOARDS, TEACHER, TRUSTEE AND SUPERVISORY OFFICER ORGANIZATIONS, TAXPAYER GROUPS, AND OTHER INTERESTED PARTIES, AS WELL AS THE GENERAL PUBLIC; THAT THESE STUDIES FORM THE BASIS FOR EXTENSIVE CONSULTATION IN THE PROCESS OF ESTABLISHING THE BASIC UNIFORM EXPENDITURE LEVELS PER PUPIL AND THE AMOUNT OF THE ANNUAL INCREASES; AND THAT THE MINISTRY OF EDUCATION EXPLAIN AND JUSTIFY THE DECISIONS IT ULTIMATELY MAKES IN THESE AREAS.

(d) Phasing of Basic Uniform Expenditure Levels

Given the existing differences among boards in expenditure per pupil for operating costs, it will not be possible to permit all boards to spend at the basic uniform expenditure levels in 1976. Using firm data for 1972, the range in board expenditures between \$497 and \$806 would mean too great an adjustment in one year. However, there was some narrowing of the differences in 1973, while, in 1974, all elementary boards were permitted to spend up to a maximum of \$704, and secondary boards to \$1,231 per pupil. Most boards will be above these levels because of the application of weighting factors. Because firm data for 1973 were not available at the time of writing, we were unable to determine the cost differences between the highest-spending boards and the lowest-spending boards in that year. Certainly, the differences will still be substantial in 1974. Consequently, it is our view that a basic uniform expenditure limit should be established in 1976 for each of the elementary and secondary levels. The amounts should be determined initially, at least in part, by the expenditure levels of the majority of the boards in 1974, and by the budgets in 1975. A definite time frame should then be established for all boards to be brought to the basic uniform expenditure limits as they are established from year to year.

For those boards which are already near the established maximum expenditure levels, this objective can be achieved in 1976. For other boards that are at the extreme ends of the scale, it will require a longer period of adjustment until all reach parity. Decisions in this area will depend to a considerable extent on analysis of the actual expenditure data of boards for 1973, preliminary expenditure levels for 1974, and the budgets for 1975.

WE RECOMMEND,

(18) THAT, ON THE BASIS OF FIRM DATA FOR 1973, ESTIMATES FOR 1974, AND BUDGETS FOR 1975, BASIC UNIFORM EXPENDITURE LEVELS BE APPLIED IN 1976 TO BOARDS WHICH CAN REALISTICALLY BE BROUGHT TO THEM AT THAT TIME; AND THAT PROVISION BE MADE FOR THE PHASING-IN OVER A PERIOD OF YEARS OF THE UNIFORM EXPENDITURE LEVELS FOR BOARDS THAT ARE CONSIDERABLY BELOW OR ABOVE THE LEVELS ESTABLISHED IN 1976, UNTIL ALL BOARDS REACH PARITY.

(e) Difference Between Expenditure Levels for Elementary and Secondary School Boards

The differences in the basic grant and expenditure levels between elementary and secondary school boards have been substantial since the ceilings were established in 1971. In that year the elementary board expenditure level was \$545 and the secondary board expenditure level, \$1,060. In 1974, the corresponding figures are \$704 and \$1,231, or increases of \$159 and \$171 respectively over the three-year period.

During the last four years, academic requirements for elementary school teachers have increased and the great majority of new entrants to the profession at this level must now have a university degree. A few new entrants with the four-year honour degree took secondary school teacher education programs with the elementary school option and began their careers at the elementary level. At the secondary level it is still possible for new entrants with technical and vocational experience to begin with a limited academic background. It is still true that there are a substantial number of teachers at the elementary school level with academic qualifications below the degree. But many of these are pursuing undergraduate programs leading to the degree. Consequently, the proportion of elementary school teachers with academic qualifications comparable to those of their secondary school counterparts has increased substantially in the last few years and will continue to do so at an accelerating rate in the years ahead.

A second important factor to be considered in any comparison of the ceilings at the elementary and secondary levels is the number of pupils for whom a teacher is responsible. While there is no doubt that there are too many pupils in some classrooms at each level, the overall situation shows that on average the elementary teacher is responsible for a greater number of pupils per classroom than the secondary teacher. This situation can be explained, in part at least, by the smaller number of students in certain shops at the secondary level and by smaller enrolments in certain other options. However, it is our view that at the elementary level, at least in the Primary Division, teachers should be assigned fewer pupils per classroom than is presently the case in most jurisdictions. It is at this level that the foundations are established on which the programs of

the later elementary school and the secondary school are built. If these foundations are not assured, the result is costly remedial programs in later years and frustration and failure in the secondary school. We are not suggesting that it is possible to eliminate the need for remedial and corrective measures where these are necessary. We do believe, however, that more individual attention at an early stage in a pupil's school career could help him to achieve success and avoid the negative results associated with failure. It may well be that some additional expenditure at the elementary level to permit smaller classes in the Primary Division would result in overall savings through some reduction in the need for remedial classes at a later stage in the pupil's school career.

For these two reasons, among others that could be cited, we believe that the difference between the ceilings at the elementary and secondary levels is far too great. In 1974, the fact that the difference in favour of the secondary level is greater by \$12 per pupil than it was when the ceilings were established in 1971 is completely unjustified. The trend should be towards parity although we do not suggest that the amounts should be the same for the two levels. The additional amount that should be provided at the elementary level in 1976 should be the result of the studies we have proposed for the determination of the basic maximum expenditure levels after analysis of the firm data for 1973, preliminary reports for 1974, and budgets for 1975.

WE RECOMMEND,

(19) THAT THE DIFFERENCE OF \$527 BETWEEN THE BASIC CEILING OF \$704 AT THE ELEMENTARY LEVEL AND \$1,231 AT THE SECONDARY LEVEL FOR OPERATING COSTS IN 1974 BE REDUCED SUBSTANTIALLY IN 1975; AND THAT IT BE PROGRESSIVELY REDUCED THEREAFTER ON THE BASIS OF THE STUDIES CONDUCTED TO DETERMINE REALISTIC BASIC UNIFORM EXPENDITURE LIMITS AT EACH LEVEL.

(f) Penalty for Boards Exceeding Basic Expenditure Limits

In 1971, the first year in which ceilings on ordinary expenditures were

in effect, approximately ten school boards exceeded the maximum limits permitted by the grant Regulation. There were a number of possible reasons for this breach of the limitation. Boards had not had experience in meeting the new requirements. Because the grant Regulation was not issued until well into the fiscal calendar year for school boards, it was possible for commitments to have been made in the early part of the year that could not be accommodated within the ceilings. There was also the difficulty of estimating accurately within a fixed limit the costs of goods delivered and services provided towards the end of the fiscal year. This latter possibility was demonstrated by the number of boards that exceeded the ceilings by small amounts. A very few boards exceeded the limits per pupil by substantial sums, but most of these were boards with small enrolments in Northern Ontario.

The Ministry of Education decided to assess a penalty against boards that exceeded the ceilings in 1971. The form of the penalty was the withholding of part of the board's calculated grants with the amount determined by a formula developed by the Ministry. The procedure is illustrated by the manner in which it was applied to the Hamilton Board of Education in 1971, as described in Chapter 6 of this Report.

In 1973, when the Metropolitan Toronto School Board indicated that it would be unable to stay within the ceilings as set out in the grant Regulation, the Ministry of Education agreed to provide an interest-free loan to permit the Board to spend in excess of the ceilings on the understanding that the excess would be accommodated within the ceilings to be established for 1974. Consequently, the Metropolitan Toronto School Board was, in effect, given a bonus in the form of interest-free money to permit it to breach the expenditure limits. It is difficult to rationalize the treatment of the Hamilton Board of Education for its action in 1971 with the sympathetic hearing granted the Metropolitan Toronto School Board in 1973. Perhaps the difference was that the Hamilton Board of Education did not secure prior approval from the Ministry of Education for its excess expenditure. If this is the justification for the dissimilar treatment of the Hamilton Board, it again seems harsh by comparison with that accorded the Metropolitan Toronto School Board.

In any case, the example cited raises the question of whether the Ministry of Education ought to be involved in the assessment of penalties for breaches by school boards of the expenditure limits imposed by the grant Regulation. The effect of a penalty, by way of reduction of grants to a board, is that the Ministry of Education stands to gain through its retention of the amount of any penalty. It is our view that the Ministry ought not to be the policing agency over school boards in this matter, especially because of its own interest in the matter. The prevention of over-spending by boards may lie in the preparation and wide dissemination by the Ministry of financial data and other information about all school boards in Ontario. If this were done, comparisons of costs among boards could be shown and attention drawn to any exceptions to the expenditure limits. Taxpayers would then be able to question the actions of their representatives if they so desired. In addition, it may be that some provision should be made in the Statutes whereby a taxpayer in the board's jurisdiction could take action in the courts against the board or its trustees for permitting an expenditure in excess of that set out in the Regulation.

WE RECOMMEND,

(20) THAT THE MINISTRY OF EDUCATION NOT IMPOSE PENALTIES BY WAY OF REDUCTION OF A SCHOOL BOARD'S CALCULATED GENERAL LEGISLATIVE GRANT WHERE A BOARD EXCEEDS THE EXPENDITURE LEVELS PERMITTED BY THE REGULATION GOVERNING GENERAL LEGISLATIVE GRANTS; THAT THE MINISTRY COMPILE AND DISSEMINATE DATA AND OTHER INFORMATION ABOUT THE FINANCIAL OPERATIONS OF ALL SCHOOL BOARDS; AND THAT CONSIDERATION BE GIVEN TO PROVISION IN THE STATUTES FOR RECOURSE TO THE COURTS BY TAXPAYERS AGAINST THE SCHOOL BOARD OR ITS TRUSTEES WHERE EXPENDITURES ARE MADE BEYOND THOSE PERMITTED BY LAW.

(g) Other Expenditures Beyond Ceilings

There have also been cases of additional funds being provided to school boards beyond the amounts designated by the grant Regulation. For example,

in the latter part of 1971, the province, through the Municipal Subsidies Branch, Department of Municipal Affairs, provided funds for the Provincial-Municipal Employment Incentive Program 1971-72.¹⁹ Provision was made for integration of the program with the Local Initiatives Program of the Department of Manpower and Immigration of the Government of Canada. In a memorandum²⁰ dated January 11, 1972, the Minister of Education commended the program to school boards. A similar provision was made for 1972-73. The result was that a considerable number of school boards made application for funds to permit them to undertake "make-work" projects.

The anomaly in this situation was that many school boards had to delete programs of maintenance from their regular budgets because the costs could not be accommodated within their grant and expenditure ceilings. They were, however, able to apply for funds through the Provincial-Municipal Employment Incentive Program and to be reimbursed by the Municipal Subsidies Branch, Department of Municipal Affairs, for expenditures for projects approved by the latter organization.

The result was that in some situations activities that could have been conducted at other times of the year with less inconvenience to the operation of the schools were introduced during the school year. More serious was the fact that amounts of money were made available to be spent without benefit of proper planning and without regard to the priorities of the boards.

While one must sympathize with the desire to provide employment for some of those unfortunate enough to be out of work, and while the decision to make funds available was undoubtedly motivated by a wish to be helpful, the *ad hoc* nature of the attempts to meet the problem, in so far as school boards are concerned, created other problems that failed to recognize the fact that schools exist for the purpose of providing the best possible educational program for children. Where ceilings on expenditures by school boards

¹⁹ Memorandum No. 2, Provincial-Municipal Employment Incentive Program, 1971-72, dated December 28, 1971, Municipal Subsidies Branch, Department of Municipal Affairs, Toronto.

²⁰ Memorandum 1972: B1, Provincial-Municipal Employment Incentive Program, 1971-72, dated January 11, 1972, Department of Education, Toronto.

are established by one department of government, represented by the Ministry of Education, and are then supplemented with funds provided by another department of government, represented by the Department of Municipal Affairs, with the support of the Ministry of Education, it is difficult to comply with the admonition to school boards to plan programs three and four years in advance.

Similar suggestions²¹ have been made whereby additional text-books would be provided to sustain the publishing industry in Canada. For 20 years, when enrolments were increasing at unprecedented rates, the text-book publishing industry expanded and thrived. But now that enrolments are already declining at the elementary level and will soon do so at the secondary level, it is inevitable that there will be a substantial reduction in the number of text-books required. In addition, because enrolment is declining, worn-out text-books can be discarded without the necessity to replace many of them. When to this fact is added the improvement in teachers' methods whereby the text-book is no longer the sole reference source for pupils, the demand for text-books is still further reduced. We are aware that the publishing industry was the subject of an exhaustive study by a Royal Commission²² in Ontario and that a Government-Industry Committee has been established to devise priorities for spending for learning materials. In so far as the costs of education are concerned, it is our view that no action should be taken to try to stimulate a demand for text-books that, because of reduced numbers and the introduction of new methods and materials, no longer exists to the extent it did five to ten years ago. Any artificial demand, while it might assist the publishing industry, would be financially disadvantageous to the educational taxpayer, an infringement on the school board's right to determine its priorities, and an interference with the teacher's prerogative to select her own methods and materials, all of these without any real possibility of a positive impact on the education of children.

²¹Canadian Publishers and Canadian Publishing, Report of the Royal Commission on Book Publishing, Queen's Printer for Ontario, Toronto, 1973, pp. 271-272.

²²Ibid.

One other attempt to use the schools as a device to solve the problems of unemployment and development was The Technical and Vocational Training Assistance Act, 1960.²³ Undoubtedly, the program under this Act was a great boon to the building industry and helped to provide secondary school accommodation at a time when it was sorely needed. But there is equally no doubt that, to a certain extent, unnecessary accommodation and excess building were provided because the funds were available. The result is that certain school boards now find the cost of operation and maintenance of unneeded space a burden that detracts from their ability to finance their essential educational programs.

Because the school system is a well-organized social institution extending into every part of the province, there is a tendency to use it as the vehicle for attempts to solve a number of society's problems that are almost wholly unrelated to the educational program. When this occurs, it raises the question of whether the schools are being used to keep certain parts of the economy operating without much regard for, or interest in, the real purposes of the school. The desire to use the schools for purposes extraneous to their real function ought to be resisted by all those who have the educational interests of students at heart.

In addition, scarce financial resources for education should be directed to those programs where they will benefit the education of children most. At the same time, expenditures for purposes other than education should not be included in the educational bill which is already high for legitimate purposes.

(h) Expenditure Levels for Supplementary Programs and Services

In our proposals we have accepted the principle that there should be some limit on the expenditures which school boards can make. We have, therefore, recommended basic uniform expenditure levels for operating costs applicable to all boards at each of the elementary and secondary levels. We believe that the expenditures permitted in this category should be adequate to finance a good educational program for all children.

²³School Building Programs, pp. 94-95.

We are also convinced, however, that it is necessary to leave some discretion to school boards to determine within limits the expenditures they will make beyond the basic uniform expenditure levels. Instead of completely open-ended spending levels for supplementary programs, we have recommended that provision be made for supplementary expenditures up to the equivalent of the revenues derived from a discretionary mill rate not to exceed one mill on equalized assessment at the elementary level and not to exceed one-half mill on equalized assessment at the secondary level.

In addition, in our Interim Report Number Two²⁴ we recommended that boards be permitted to make expenditures from current funds for permanent improvements up to an amount equivalent to the revenues derived from a mill rate not to exceed one-half mill on equalized assessment at each of the elementary and secondary levels. We believe that this limit is reasonable and justifiable. Since the decision to impose local taxation for this purpose would rest with the school board, we have included it as a second category of discretionary mill rate.

The amount of any expenditures under the discretionary mill rates would be in addition to the basic uniform expenditure limits for operating purposes. Reference has been made to the discretionary mill rates earlier in this Report. They are included here because of the limits on expenditure which they permit.

(i) Employer's Share of Teachers' Superannuation

At present the employer's share of the contributions to the Teachers' Superannuation Fund is not paid by the school boards employing the teachers, nor does it appear in the cost of education for school boards. The calculation of the payment for this purpose is made by the Ministry of Education and paid in a lump sum direct to the Teachers' Superannuation Fund some time after the liability is incurred. Consequently, the cost of education for each school board does not include this legitimate expenditure and is, therefore, a lesser amount than should actually be

²⁴Ibid, p. 21.

shown. The result is that school board costs are artificially deflated. At the same time, the employer's share of contributions for teachers' superannuation is included in the estimates for the Ministry of Education where it does not belong any more than other direct expenditures by school boards. In addition, the Ministry of Education must pay interest costs to the Teachers' Superannuation Fund for the use of the money from the time the liability is incurred until the lump sum payment is made more than a year later.

After integration, in 1966, of the employer's contributions to the Canada Pension Plan with those to the Teachers' Superannuation Fund, the Province of Ontario followed the procedure whereby it paid, in a lump sum direct to the Canada Pension Plan, the employer's share of the contribution on behalf of the teachers on the staffs of school boards. After three years, the Canada Pension Plan required that the employing school boards submit the employer's share of the contributions direct to the Plan. As a result, the province is no longer involved in the payments to the Canada Pension Plan and the employer's contributions are shown as part of each board's expenditures.

The amount of money involved annually, as the employer's contributions to the Teachers' Superannuation Fund, is substantial since it is six per cent of each teacher's salary less the amount of the employer's contribution paid direct to the Canada Pension Plan. In 1972-73, the sum was \$58,131,273, as shown in the Public Accounts of the province.

The procedure presently being followed in this matter is poor business practice and distorts the budgets of both school boards and the Ministry of Education. The boards are not making an expenditure that is rightly their responsibility and the Ministry is making a direct contribution as if it were the employer of the teachers who are, in fact, under contract to the boards.

It is our view that each school board should assume responsibility for the employer's share of the contributions to the Teachers' Superannuation Fund on behalf of its teachers and that the Ministry of Education should have no direct involvement in this procedure. It should be

emphasized that assumption by school boards of responsibility for payment of the employer's share of the teachers' superannuation would have absolutely no effect on the benefits payable to teachers. The change would not involve any additional administrative work since boards must now provide information about the deduction from each teacher's salary for his contribution to the Fund. It would merely mean that the boards would provide a matching amount as the employer's share. It would, of course, be necessary to increase the basic uniform expenditure limit for operating costs to accommodate this adjustment but under our proposed uniform mill rate on equalized assessment no additional cost would have to be borne by tax on property at the local level. Again, there would be no change in the amount of money provided by the Ministry of Education since it is already paying 100 per cent of the contribution.

WE RECOMMEND,

(21) THAT SCHOOL BOARDS ASSUME RESPONSIBILITY FOR DIRECT PAYMENT OF THE EMPLOYER'S SHARE OF CONTRIBUTIONS TO THE TEACHERS' SUPERANNUATION FUND ON BEHALF OF TEACHERS WHO ARE IN THEIR EMPLOY; AND THAT THE BASIC UNIFORM EXPENDITURE LEVELS FOR SCHOOL BOARDS BE INCREASED TO ACCOMMODATE THE PAYMENT INVOLVED.

E. Weighting Factors

Prior to 1969, the Department of Education used "stimulation grants" to encourage the development of certain programs by school boards. Examples of specific categories, for which extra assistance was provided from time to time, were home economics and industrial arts, special education, textbooks, and larger units of administration.

The major objective in the creation of the county and district boards in 1969 was to provide greater equality of educational opportunity for children regardless of their place of residence in the province. The Department of Education decided that, with the establishment of the new boards, a greater decentralization of decision-making was possible and desirable if the objective was to be achieved. In addition, the new boards would

have the resources of staff and organization to provide trustees with the information on which decisions could be made. It was also recognized that boards would have a better knowledge of the needs of their jurisdictions than the central authority could ever have. Consequently, encouragement was to be given to the establishment of goals by each school system, the development of programs to meet local needs, the selection of priorities to be implemented, and the evaluation of the effectiveness of the programs offered. To assist in the attainment of these objectives, stimulation grants that might distort local priorities were discontinued. Grants and expenditures formerly made to encourage certain programs were incorporated into the total allowances for the operation of school systems without direction from the Department of Education about the specific purpose for which the money should be used. The Committee is in complete agreement with the objectives outlined above and with the decision to discontinue stimulation grants as a desirable step towards the achievement of the goals of education.

Soon after the creation of the larger units, however, the Department of Education introduced a simple weighting plan. The avowed purpose was to recognize differences in expenditure requirements for boards in various parts of the province. Special provision was made for boards in Northern Ontario that were finding it difficult to attract teachers, particularly for the secondary level. The largest cities were given substantial allowances designed to accommodate the higher level of special education in these centres and the problems associated with greater density of population.

The original weighting factors introduced in 1969 were rather unsophisticated and crude in that they were rough measures of special needs that the Department of Education considered certain boards had. At that time, while there were limits on the amount of a board's ordinary operating expenditures eligible for grant, the board could still spend as much above these limits as it considered necessary. The expenditure in excess of the amount eligible for grant had to be financed wholly through local taxation. In 1971, the Department of Education introduced ceilings on the amount by which expenditures might exceed the expenditures eligible for grant. As a result, there were three limitations in effect - the

basic ceilings (\$545 per pupil at the elementary level and \$1,060 per pupil at the secondary level); the grant ceilings (the amount on which grants were calculated); and the expenditure ceilings (the amount of the grant ceilings plus the excess not eligible for grant). An additional fourth limitation that could affect the other three was the amount of the increase in expenditure permitted over a board's expenditures for the previous year. In 1972, several additional weighting factors were introduced and all involved more detailed calculations than the original factors. The changes since 1972 have been towards still greater refinement and complexity. The stated justification for the use of weighting factors was that they would assist in the attainment of the purposes of the larger units. These weighting factors, particularly as they apply to special education, compensatory education, technical and occupational education, and instructional salaries, are stimulation incentives under other names. An analysis of the effects of the weighting factors permits the following conclusions.

(a) While it cannot be claimed that there is a direct and consistent relationship between expenditure per pupil and the quality of the educational program, nevertheless, the amount of money provided does determine to a considerable extent the opportunities available within a school system. The weighting factors are responsible for wide differences among boards in the amount of their expenditures eligible for grant and in the total expenditures that may be incurred. For example, in 1972, the range of the maximum expenditure by boards at the elementary level was \$497 to \$806, a difference of \$309, or 62.2 per cent. While this difference has been reduced since 1972, disparities in the financial resources available to boards with low grant and expenditure weighting factors make it impossible for many of these county and district boards to provide comparable opportunities for their pupils.

(b) The weighting factors seem designed to accommodate the higher-spending levels that were reached by boards in the largest cities before the ceilings were established, rather than to recognize the needs of pupils served by all the boards in the province. One reason given for the maintenance of a substantial difference in the weighting factors is that large city boards have to provide special programs to meet problems

unique to their jurisdictions. While it is agreed that there are special circumstances and conditions that apply in large urban centres, it is also true that many smaller boards have problems of proportional magnitude that are peculiar to their jurisdictions. The conclusion that boards with comparatively high-spending levels before the ceilings were established should continue to spend at these, or even higher, levels, while other boards should be kept at much lower levels, is unjustified. It fails to recognize the special circumstances and unmet needs that exist in many parts of the province outside the largest cities.

(c) The influence of weighting factors interferes with the freedom of a school board to determine the nature and extent of the programs it will offer and the priorities it will establish for its system. There is no doubt that educational needs will vary from board to board and, indeed, from school to school within a board's jurisdiction. Therefore, if a school system is to be responsive to the special needs of its students, it must provide programs designed to meet those needs and must ensure that programs adapt and change to meet new conditions and altered circumstances. However, through the use of weighting factors, the Ministry of Education has determined what some of the priorities should be for all boards and, for those above the median or above a certain percentile in expenditure for some programs, has reinforced its views by provision of additional grants and by permitting supplementary expenditures. At the same time, for boards below these levels, it has ensured that their programs will remain limited by comparison.

No set of weighting factors, developed by a central agency, can possibly recognize the variety of educational requirements in a province as diverse and widespread as Ontario. The criteria used for determination of the weighting factors encourage a uniformity of offerings in certain program areas and, through the methods of calculation of the factors, support maintenance of the *status quo*. But school systems need to be innovative and experimental if they are to remain relevant to a dynamic and changing society. School trustees of a board, with the advice and assistance of their staff, are in the best position to identify the special needs of their area and to decide how best to meet those needs. To the extent that the weighting factors interfere with the prerogatives of

school trustees in these matters, they are as undesirable as they are unnecessary.

(d) The criteria for the determination of grant and expenditure weighting factors are numerous and diverse. For example, in the case of compensatory education, there are four criteria that are taken by the Ministry of Education as indices of need by a board. These are the percentage of population in receipt of welfare benefits; the percentage of all income tax returns with taxable income less than \$4,000; percentage of population "with neither French nor English as their official (sic) language"; and the number of public housing units per capita. There is considerable doubt about the relationship between the criteria and the need for compensatory education programs. For example, there are communities where there are few, if any, public housing units but where the quality of living accommodation and other relevant circumstances may be less favourable than they are in public housing. Similar comparisons might be made with regard to other factors.

Each year since the introduction of the weighting factors, there have been additions and refinements that add to the complexity of the calculation (Appendix B). While the requirements to qualify for a weighting factor are released to school boards, there is no accompanying justification for the rating scales used. Again, the compensatory education can be used to illustrate. There are four rating scales in the same range of one to ten for the four criteria used. The comparability of these scales is impossible to judge from the information provided. It is also most difficult to rationalize some of the calculations with the specific educational program to which they are supposed to relate. The validity of the weighting factors is, therefore, in doubt on this score as well.

(e) The Ministry of Education determines a rate of grant applicable to each board's recognized ordinary expenditure. One of the criteria used in this determination is the equalized assessment per weighted pupil. The lower the equalized assessment per weighted pupil, the higher the rate of grant and, conversely, the higher the equalized assessment per weighted pupil, the lower the rate of grant. Consequently, the rate of grant is greater if the calculation of weighted pupils is used instead

of the actual enrolment. The situation is illustrated by reference to the Halton R.C.S.S. Board and the Metropolitan Toronto School Board. In 1974, the Halton R.C.S.S. Board, that has no grant weighting factor, will use its enrolment for grant purposes to determine the equalized assessment per pupil. For the Metropolitan Toronto School Board, that has a grant weighting factor of .109, the enrolment for grant purposes will be multiplied by .109 to obtain the weighted pupil enrolment. The resulting figure in each case will be divided into the total equalized assessment for the Board to arrive at the equalized assessment per weighted pupil. This latter figure is used in the calculation to determine the Board's rate of grant. In this example, the Metropolitan Toronto School Board receives a considerable advantage in terms of a higher rate of grant whereas the Halton R.C.S.S. Board receives no such advantage.

The grant weighting factor, therefore, in addition to the increase it permits in a board's expenditure on which grant is paid, increases the rate of grant to the board. The higher rate of grant applies not only to the increased recognized ordinary expenditure that the grant weighting factor allows, but also for all the board's recognized ordinary expenditure. The amount of the increased grants may be substantial for higher-spending boards.

The application of the grant weighting factor to the enrolment for grant purposes as one of the criteria in determination of the rate of grant for a board is the means of providing another advantage to higher-spending boards. A board with a large grant weighting factor is able to receive more in legislative grants and thus has more funds to apply to its programs. A board with a small grant weighting factor is at a considerable disadvantage in terms of its ability to offer programs comparable to those provided by its more fortunate counterpart. The use of the grant weighting factor also distorts the objective of equality of treatment of boards through a rate of grant based on equalized assessment per pupil.

(f) School boards that qualify for a high grant weighting factor for instructional salaries have a considerable advantage in the recruitment of experienced and highly-qualified teachers over boards that are eli-

gible for little or no allowance in this area. For example, in 1974, the Haldimand County Board of Education, that has a grant weighting factor at the elementary level of 1.008 has about \$5.63 per pupil above the basic ceiling eligible for grant. The Metropolitan Toronto School Board at the elementary level has a grant weighting factor of .109, so that it can receive grant on an expenditure of 110.9 per cent of the basic ceiling. By an amendment to the criteria applicable to all boards in 1974, the Metropolitan Toronto School Board is eligible to receive grant on 50 per cent of the expenditure ceiling calculation for teacher qualifications and experience. Therefore, the Haldimand County Board of Education is not in a position to attract teachers of comparable qualifications and experience to those of the Metropolitan Toronto School Board or of other boards with large grant weighting factors that include an allowance for instructional salaries.

(g) The fact that the criteria for eligibility for grant and expenditure weighting factors recognizes the higher-spending levels of a few boards places other boards under serious limitations in their desire to provide comparable programs for their pupils. The necessity for a board to be above the median of all boards, or above a certain percentile, in order to be eligible for weighting factors almost precludes introduction or extension of programs by boards now below the median or the particular qualifying percentile. The existence of the weighting factors, for example for special education, almost guarantees continuing eligibility for additional grants and expenditures for boards with special education programs established before the ceilings were introduced and to limit some other boards from introducing them at a level appropriate to their needs.

(h) Because of the grant weighting factors, there are inequities in the portion of the costs borne by taxpayers at the provincial level. A board without a grant weighting factor, or with a very low grant weighting factor, will be at the low end of the scale in terms of the amount on which grants are paid. A board with a large weighting factor will be at the other end of the scale. If we again use the weighting factors for the Halton R.C.S.S. Board and the Metropolitan Toronto School Board to illustrate the point, the taxpayer in Halton contributes to provincial

revenues through sales tax, gasoline tax, and other provincial taxes to permit additional grants to be paid by the province to the Metropolitan Toronto School Board on an expenditure level per pupil higher than is applicable for his own children attending school in Halton. This represents an inequity for the Halton taxpayer in terms of distribution of the tax load.

In summary, it is our view that the weighting factors are discriminatory and unfair, both in the additional grants they provide and the supplementary expenditures they permit. Far from achieving their stated purpose of greater equality of opportunity for pupils, they almost ensure inequality of opportunity for all but the favoured few, and, in the process, contribute to inequity in distribution of the tax load. When the factors were "crude", as they were when first introduced, they did not work because they did not distinguish among the differences that existed from board to board. Now that they are more refined and complex, they still do not achieve equality and equity, not only because their validity is unproven, but also because there are still many variables that have not been taken into account. However, the solution to the present problem does not lie in the addition and extension of the weighting factors. Rather, it is our view that all weighting factors ought to be terminated beginning with the fiscal year 1976. School boards should have returned to them the authority and responsibility to determine the programs to be conducted and the allocation of resources within the basic uniform expenditure limits applicable to all boards at each of the elementary and secondary levels. Only if boards are given this freedom can they be held accountable, as they should be, for the results that are achieved.

WE RECOMMEND,

(22) THAT THE USE OF ALL WEIGHTING FACTORS, FOR BOTH GRANTS AND EXPENDITURES, FOR EACH OF THE ELEMENTARY AND SECONDARY SCHOOL BOARDS BE TERMINATED AT THE END OF 1975; THAT THEY BE REPLACED BY THE BASIC UNIFORM EXPENDITURE LEVELS ALREADY RECOMMENDED; AND THAT THESE LEVELS ALSO BE THE GRANT ELIGIBILITY LEVELS.

CHAPTER 2

FINANCING EDUCATION: THE BACKGROUND

Early Historical Developments

The principle of participation by the provincial authority in the funding of education was established almost from the creation of the first schools. The voting of public money for this purpose began in 1796, seventy-one years before Confederation, with a government grant of £100 to a private school in Cataraqui. Within a few years a similar grant was made to each of eight such schools. During the period from 1797 to 1839, provisions were made to assist the grammar schools through land grants. With the passing of The Common Schools Act in 1816, the government allocated the sum of £6,000 for the common schools. An amount of £25 was provided annually to assist in paying the teacher's salary.

These meagre financial provisions reflected the view of people in the early part of the nineteenth century that education was not significant enough for the general good to justify any substantial financial support of it. Rather, education was viewed as something of a luxury for the upper classes in local areas, without any broad implications for society at large. Consequently, schools were seen as the responsibility of parents so that they had to provide financial support if they wished their children to have the benefits of them. This obligation was fulfilled through payment of the "rate-bill" by the parent and this provided most of the funds for operation of the school.

By 1841, the attitude of the public towards education had changed considerably. In that year the government introduced mandatory local support for schools. Municipal councils of the districts were required to raise by local taxation an amount equal to the district's share of the provincial school grant. In 1843, the municipal councils of larger centres were empowered to raise by a general property tax the total amount of the difference between the operating costs of the common schools and the amount of government grant. In 1847, rural areas were also given this authority.

In 1849, a development of particular significance for the conduct of school affairs was the passing of legislation commonly referred to as the "Baldwin

Act". This Act provided a complete organizational structure for self-government at the local level embracing the establishment of local municipalities represented by cities, towns, villages, townships, and counties in the southern part of the province. This structure has persisted to the present time but there have been some important modifications represented by the Metropolitan Toronto and Regional Government patterns. Even in these cases, the essential principles established more than 100 years ago have been substantially maintained.

In 1850, taxpayers in rural school sections were able for the first time to decide at their annual meetings the method of financing current operations of the common schools. Three sources of revenue were available, namely, "voluntary subscription, a rate-bill for each child attending school, and a property tax".¹ Taxpayers had the right to require that all local support be provided through the general property tax. Provision had been made in the "Baldwin Act" for municipalities to levy rates for the financing of the common schools. Consequently, if it was decided to adopt the property tax as the method of financing, the school board could request that the newly-established township council levy and collect taxes for this purpose. In 1853, in response to objections of municipal councils to this provision, the province granted all school boards the authority to levy and collect their own taxes.² This proved to be an inefficient method and was abandoned in 1869 in favour of the requisition on the municipal council. The permissive nature of the support was not effective in many municipalities so that in 1871 legislation was passed adopting the principle of compulsory tax support for common schools and abandoning payment by subscription or by the rate-bill. While authority to levy taxes was not formally removed from the common school boards until 1885, the method of requisitioning the required amount from the municipal councils has, for all practical purposes, persisted since 1859.

Municipalities were permitted to grant funds to grammar schools in 1853.

¹Fleming, W. G., The Administrative Structure in the series Ontario's Educative Society/II, University of Toronto Press, Toronto, 1971, p.223.

²Cameron, D. M., Schools for Ontario, University of Toronto Press, Toronto, 1972, p. 36.

It was not until 1871, however, when grammar schools were officially transformed from essentially private institutions receiving public support to truly public secondary schools, that municipal support became compulsory. While high schools were given the power to requisition funds from municipalities, many of them continued to make use of fees as one source of revenue. It was not until 1921 that high schools became completely free, as public schools had been since 1871.

Another piece of legislation of great importance in the reforms of the mid-nineteenth century was The Assessment Act, passed in 1850. Most of the concepts of this Act have persisted to the present time and have formed the basis for the raising of taxes for the support of schools, as well as for other services provided by municipal councils.³ In 1890, provision was made for a municipal council to pass a by-law permitting it to impose a business tax as "an alternative to taxing a mercantile business on its personal property assessment".⁴ But no municipality availed itself of the option open to it. Important amendments were made in The Assessment Act of 1904 which "has provided the legislative base for property assessment and taxation in Ontario to the present day".⁵ The business tax was made compulsory. All personal property, except income, was removed from the tax base. In 1936, the province took over the income tax and in 1942 corporate income as a taxation source for municipalities was removed. As a result of these changes, the areas of taxation available to the municipalities have shrunk to real property and business assessment.

While the provincial government had provided financial support for schools from the earliest years, its more positive role in the provision of grants for the direction of education began in 1850. In that year, average daily attendance replaced population as the basis on which grants were made to the common schools. In 1859, a stipulation was made that

³The Ontario Committee on Taxation, Volume II, Queen's Printer, Toronto, 1967, p. 32.

⁴Ibid, p. 34.

⁵Ibid, p. 42.

the grant had to be applied to expenditures on teachers' salaries. The principle of stimulation or reward reached its height in 1875 when it was decided to pay part of the high school grant in direct proportion to the results achieved by the students of each school on a formal examination. The principle of direct-payment-by-results proved to be such a fiasco that it was abandoned in 1882. It did, however, raise the written examination to a level of dominance which persisted long after discontinuance of the payment of grants based on results. The stimulation grant persisted in other forms and by 1936 was found in no fewer than ten separate grant formulae. Since then it has had its ups and downs. In 1969, most stimulation grants were discontinued although some of them have since been resurrected under the new name of weighting factors as, for example, the weighting factor applicable to special education.

Early in the twentieth century, the principles of greater equality of educational opportunities for children and more equitable distribution of the taxation load for education began to receive attention. School boards were grouped according to their needs and capacities and grants were paid according to categories. This pattern was adopted for rural elementary schools in 1907, extended to urban elementary schools in 1908, and applied to high schools in 1936.

One of the factors used to group rural schools for grant purposes in 1907, and thereafter, was assessment. In 1924, legislation provided that any special grants to urban and separate schools take account of the value of property taxable for school purposes. In 1930, all elementary public and separate school grants to urban and rural boards were made subject to apportionment on the basis of taxable assessment, in addition to average daily attendance, and school board expenditure. From 1936 on, grants for secondary school teachers' salaries and those based on secondary school attendance were related inversely to taxable assessment.

Costs of Education

During the 1930s the cost of education was a matter of considerable concern to local authorities and to the province. This resulted in the appointment of a Committee of Enquiry into the Cost of Education in the

Province of Ontario. Some of the subjects to which that Committee was instructed to direct its enquiry have their parallels in the terms of reference for our study. The Report⁶ of the earlier Committee was transmitted to the then Minister of Education, under date of March 25, 1938. It makes excellent background reading for our Reports.

During the thirty-year period, 1942 to 1972, Ontario increased its financial commitment to education at a rapid rate and to a high level. The amount of the expenditures, the increases, and percentage increases are shown in Table 1 and Graph 1. The figures include ordinary operating costs, the cost of pupil transportation and annual repayments on debentures. From a total expenditure of approximately \$53 million by elementary and secondary school boards in 1942, the bill rose to an estimated \$1,956 million in 1972, or more than a 37-fold increase in thirty years. If the comparison is made for the period after World War II, the increase was from \$68.4 million in 1946, or more than a 28-fold increase. Until 1970, these changes were reflected in increases in indices such as the proportion of the gross provincial product devoted to the financing of education, the proportion of the provincial revenues designated for the support of education, and the proportion of local property taxes allocated for educational purposes.

Reasons for Increase in Expenditures

There were many factors that accounted for the phenomenal commitment to the educational enterprise after World War II.

Enrolment

The tremendous increase in enrolment resulting from the higher birth rates during the post-war years required much greater expenditures. The enrolment in the elementary schools went from 539,012 in 1946 to a high of 1,465,488 in 1970, and in the secondary schools from 123,846 in 1946 to a high of 583,013 in 1972. The combined enrolment

⁶McArthur, Duncan (Chm.), Report of the Committee of Enquiry into the Cost of Education in the Province of Ontario, King's Printer, Toronto, 1938.

TABLE 1

INCREASE IN SCHOOL BOARD EXPENDITURES
1942 to 1972 INCLUSIVE

E L E M E N T A R Y

Calendar Year	Public			Separate			Total Elementary		
	Expenditure	Increase	Per Cent Increase	Expenditure	Increase	Per cent Increase	Expenditure	Increase	Per Cent Increase
1942	\$ 30,920,477	\$ -	-	\$ 4,970,784	\$ -	-	\$ 35,891,261	\$ -	-
1943	32,033,539	1,113,062	3.60	4,884,116	86,668 def.	1.34	36,917,655	1,026,394	2.86
1944	34,476,335	2,442,796	7.63	5,378,934	494,818	10.13	39,855,269	2,937,614	7.96
1945	37,202,353	2,726,018	7.91	5,650,999	272,065	5.06	42,853,352	2,998,083	7.52
1946	40,139,491	2,937,138	7.90	6,242,549	591,550	10.47	46,382,040	3,528,688	8.23
1947	46,594,891	6,455,400	16.08	6,868,237	625,688	10.02	53,463,128	7,081,088	15.27
1948	53,704,549	7,109,658	15.26	7,983,687	915,450	13.33	61,688,236	8,025,108	15.01
1949	59,151,314	5,446,765	10.14	8,754,696	971,009	12.48	67,906,010	6,417,774	10.44
1950	66,407,506	7,256,192	12.27	11,225,363	2,470,667	28.22	77,632,869	9,726,859	14.32
1951	80,518,919	14,111,413	21.25	13,742,696	2,517,333	22.43	94,261,615	16,628,746	21.42
1952	93,670,589	13,151,670	16.33	15,051,537	1,308,841	9.32	108,722,126	14,460,511	15.34
1953	103,056,194	9,385,605	10.02	16,487,357	1,435,820	9.34	119,543,551	10,821,425	9.95
1954	114,704,172	11,647,978	11.30	19,758,087	3,270,730	19.84	134,462,259	14,918,708	12.48
1955	135,624,935	20,920,763	18.24	25,491,775	5,733,688	29.02	161,116,710	26,654,451	19.82
1956	152,261,300	16,636,365	12.27	29,801,942	4,310,167	16.91	182,063,242	20,946,532	13.00
1957	171,422,123	19,160,823	12.58	35,066,315	5,264,373	17.67	206,488,438	24,425,196	13.42
1958	193,167,518	21,745,395	12.69	42,754,029	7,687,714	21.92	235,921,547	29,433,109	14.25
1959	219,580,310	26,412,792	13.67	51,243,868	8,489,839	19.86	270,824,178	34,902,631	14.79
1960	240,639,052	21,078,742	9.60	58,341,349	7,097,481	13.85	299,000,401	28,176,223	10.40
1961	258,865,872	18,206,820	7.57	65,868,789	7,527,440	12.90	324,734,661	25,734,260	8.61
1962	274,531,633	15,665,761	6.05	74,971,736	9,102,947	13.82	349,503,369	24,768,708	7.63
1963	284,151,606	9,619,973	3.50	77,041,278	2,069,542	2.76	361,192,884	11,689,515	3.35
1964	314,285,000	30,133,394	10.61	94,449,000	17,407,722	22.60	408,734,000	47,541,116	13.16
1965	347,034,000	32,769,000	10.43	109,788,000	15,339,000	16.24	456,842,000	48,108,000	11.77
1966	396,930,000	49,876,000	14.37	130,154,000	20,366,000	18.55	527,084,000	70,242,000	15.38
1967	456,422,000	59,492,000	14.99	162,296,000	32,142,000	24.70	618,718,000	91,634,000	17.39
1968	551,066,000	94,644,000	20.74	197,897,000	35,601,000	21.94	748,963,000	130,245,000	21.05
1969	627,141,000	76,075,000	13.81	226,888,000	28,991,000	14.55	854,029,000	105,066,000	14.03
1970	711,968,000	84,827,000	13.53	263,177,000	36,289,000	15.99	975,145,000	121,116,000	14.18
1971	759,025,000	47,057,000	6.61	292,760,000	29,583,000	11.24	1,051,785,000	40,640,000	4.17
1972	820,047,000	61,022,000	8.04	321,271,000	28,511,000	9.74	1,141,318,000	125,533,000	12.36

Source: Reports of the Minister of Education with figures adjusted for purposes of comparison.

ERRATA

The amounts of money shown in Table 1 in the text should be replaced by the following figures on each of pages 68 and 69:

Total Elementary			
Calendar Year	Expenditure	Increase	Per Cent Increase
1971	1,051,785,000	76,640,000	7.86
1972		89,533,000	8.51

ERRATA

The amounts of money shown in Table 1 in the text should be replaced by the following figures on each of pages 68 and 69:

Total Elementary

Calendar Year	Expenditure	Increase	Per Cent Increase
1971	1,051,785,000	76,640,000	7.86
1972		89,533,000	8.51

TABLE 1 (Continued)

INCREASE IN SCHOOL BOARD EXPENDITURES

1942 to 1972 INCLUSIVE

E L E M E N T A R Y a n d S E C O N D A R Y

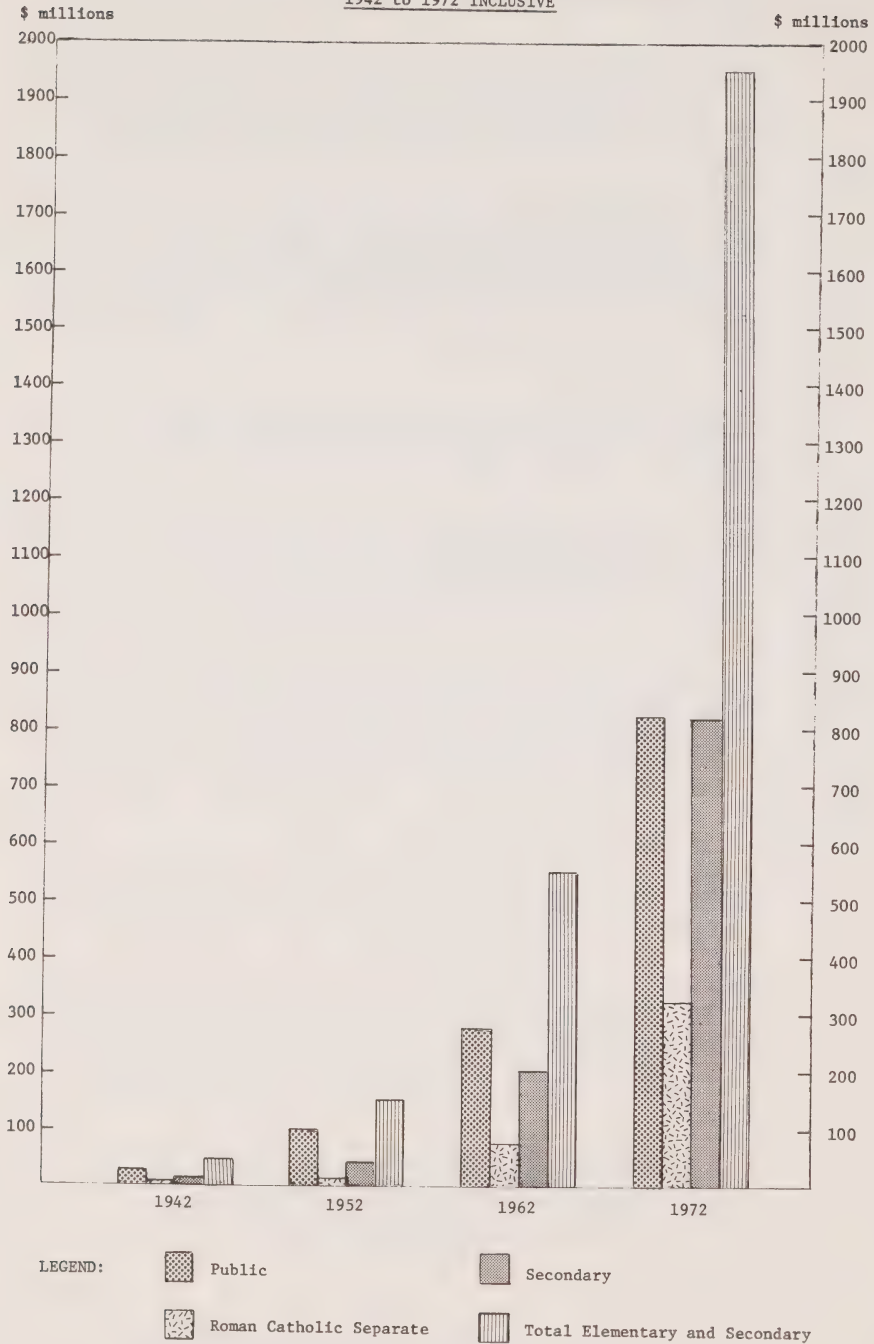
Calendar Year	Total Elementary			Secondary			Total Elementary and Secondary		
	Expenditure	Increase	Per Cent Increase	Expenditure	Increase	Per Cent Increase	Expenditure	Increase	Per Cent Increase
1942	\$ 35,891,261	—	—	\$ 17,053,819	—	—	\$ 52,945,080	—	—
1943	36,917,655	1,026,394	2.86	17,271,477	217,658	1.28	54,189,132	1,244,052	2.35
1944	39,855,269	2,937,614	7.96	17,944,262	672,785	3.90	57,799,531	3,610,399	6.66
1945	42,853,352	2,998,083	7.52	19,673,618	1,729,356	9.64	62,528,970	4,727,439	8.18
1946	46,382,040	3,528,688	8.23	22,017,952	2,344,334	11.92	68,399,992	5,873,022	9.39
1947	53,463,128	7,081,088	13.07	25,336,336	3,318,384	15.07	78,799,464	10,399,472	15.20
1948	61,488,236	8,025,108	15.01	28,698,045	3,361,709	13.27	90,186,281	11,386,817	14.45
1949	67,906,010	6,417,774	10.44	32,193,261	3,495,216	12.18	100,099,271	9,912,990	10.99
1950	77,632,869	9,726,859	14.32	35,404,022	3,210,761	9.97	113,036,891	12,937,620	12.93
1951	94,261,615	16,628,746	21.42	42,178,906	6,774,884	19.14	136,440,521	23,403,630	20.70
1952	108,722,126	14,460,511	15.34	48,891,066	6,712,160	15.91	157,613,192	21,172,671	15.52
1953	119,543,551	10,821,425	9.95	51,916,371	3,025,305	6.19	171,459,922	13,846,730	8.79
1954	134,462,259	14,918,708	12.48	58,751,193	6,834,822	13.17	193,213,452	21,753,530	12.69
1955	161,116,710	26,654,451	19.82	76,208,966	17,457,773	29.72	237,325,676	44,112,224	22.83
1956	182,063,242	20,946,532	13.00	86,103,855	9,894,889	12.98	268,167,097	30,841,421	13.00
1957	206,488,438	24,425,196	13.42	99,709,745	13,605,890	15.80	306,198,183	38,031,086	14.18
1958	235,921,547	29,533,109	14.30	117,359,610	17,649,865	17.70	353,281,157	47,082,974	15.38
1959	270,824,178	34,902,631	14.79	139,770,695	22,411,085	19.10	410,594,873	57,313,716	16.22
1960	299,000,401	28,176,223	10.40	155,623,200	15,852,505	11.34	456,623,601	44,028,728	10.72
1961	324,734,661	25,734,260	8.61	177,960,689	22,337,489	14.35	502,695,350	48,071,749	10.57
1962	349,503,369	24,768,708	7.63	200,318,988	22,358,299	12.56	549,822,357	47,127,007	9.38
1963	361,192,884	11,689,515	3.35	221,967,844	21,648,856	10.81	583,160,728	33,338,371	6.06
1964	408,734,000	46,941,116	13.16	264,919,000	42,951,156	19.35	673,653,000	90,492,272	15.52
1965	456,842,000	48,108,000	11.77	300,992,000	36,073,000	13.62	757,834,000	84,181,000	12.50
1966	527,082,000	70,242,000	15.38	351,363,000	50,371,000	16.74	878,447,000	120,613,000	15.92
1967	618,718,000	91,634,000	17.39	492,424,000	78,061,000	22.22	1,048,142,000	169,695,000	19.32
1968	748,963,000	130,245,000	21.05	513,417,000	83,993,000	19.56	1,262,380,000	214,238,000	20.44
1969	854,029,000	105,066,000	14.03	603,025,000	89,608,000	17.45	1,457,054,000	194,674,000	15.42
1970	975,145,000	121,116,000	14.18	685,876,000	82,851,000	13.74	1,661,021,000	203,967,000	14.00
1971	1,015,785,000	40,640,000	4.17	749,470,000	63,594,000	9.27	1,801,255,000	140,234,000	8.44
1972	1,141,318,000	125,533,000	12.36	815,142,000	65,672,000	8.76	1,956,460,000	155,205,000	8.62

Source: Reports of the Minister of Education with figures adjusted for purposes of comparison.

GRAPH 1

SCHOOL BOARD EXPENDITURES AT TEN YEAR INTERVALS

1942 to 1972 INCLUSIVE



went from 662,858 in 1946 to a high of 2,031,360 in 1971.⁷ The enrolment at the elementary level increased by almost three times, while the secondary school enrolment went up by more than five times during the period. Since the cost per pupil has always been considerably higher at the secondary level, the greater proportional increase in enrolment at that level added significantly to the costs.

Teacher-Pupil Ratio

At the elementary level, the teacher:pupil ratio, as defined in our earlier Report,⁸ went from 1:29.995 in 1946, to a low of 1:24.710 in 1970, while at the secondary level it went from 1:26.067 in 1946, to a low of 1:16.408 in 1969. These changes accounted for 10,449 additional teachers at the elementary level and 11,984 additional teachers at the secondary level. The combination of increased enrolments and lower teacher:pupil ratios resulted in increases in the number of teachers from 17,970 in 1946, to 59,307 in 1970, or 3.3 times at the elementary level, and from 4,751 in 1946, to 34,469 in 1971, or 7.26 times at the secondary level.

Salaries

Changes in teachers' salaries accounted for a large part of the increase in expenditures. Based on 1946 figures, there were 22,721 teachers altogether with an expenditure for salaries of \$41,369,139, or an average of \$1,821 per teacher. In 1971, the comparable figures were 92,798 teachers with an expenditure of \$1,077,646,000 for instructional salaries and fringe benefits, or an average of \$11,613 per teacher. The increase per teacher between 1946 and 1971 was, therefore, \$9,792, or 538 per cent. The increase is attributable in part to the greater commitment of society to education in the 1950s and 1960s, reflecting a willingness to pay better salaries to teachers. But the shortage of teachers in a period of rapid increase

⁷ Report on the Education of Elementary and Secondary Teachers in Ontario: Facilities, Organization, Administration, Interim Report Number One, Committee on the Costs of Education, Queen's Printer and Publisher, Toronto, 1972, pp. 28 and 30.

⁸ Ibid, pp. 28 and 30.

in enrolment created a demand that forced salaries upward. At the same time, stronger teacher organizations were able to achieve greater financial benefits for their members.

The calculations based on the data must allow for some differences in definition of costs included under the heading of instructional salaries and fringe benefits between 1946 and 1971. However, since criteria for inclusion of expenditures under this heading were substantially the same, the resulting calculations are useful for comparative purposes.

Inflation

Another significant factor is the impact of inflation from 1946 to 1971. Inflation reduced the purchasing power of the Canadian dollar in 1971 to 44.02 per cent of what it was in 1946 (Table 2 and Table 3). Consequently, the average salary of \$11,613 in 1971 is really equivalent to an average of \$5,112 in 1946. Nevertheless, the latter amount is 2.8 times the average of \$1,821 in 1946.

TABLE 2
PURCHASING POWER OF CANADIAN DOLLAR
MONTHLY ANNUAL AVERAGES
1946 to 1972

Based on 1961 Equalling 100			
<u>Year</u>	<u>Cents</u>	<u>Year</u>	<u>Cents</u>
1946	166.67	1960	100.91
1947	152.44	1961	100.00
1948	133.16	1962	98.81
1949	129.20	1963	97.09
1950	125.63	1964	95.42
1951	113.64	1965	93.11
1952	110.86	1966	89.77
1953	111.86	1967	86.66
1954	111.23	1968	83.26
1955	110.99	1969	79.68
1956	109.41	1970	77.10
1957	106.04	1971	73.37
1958	103.31	1972	71.50
1959	102.15		

Source: Reciprocal of data in Prices and Price Indexes, Statistics Canada, Information Canada, Ottawa, May, 1973, p.50.

TABLE 3

PURCHASING POWER OF CANADIAN DOLLAR

MONTHLY ANNUAL AVERAGES

1946 and 1971

Based on 1946 Equalling 100

<u>Year</u>	<u>Cents</u>	<u>Year</u>	<u>Cents</u>
1946	100.00	1971	44.02

The data in Table 1 are expressed in actual dollars for the year in which the expenditures were made so that they do not reflect comparable purchasing power over the period 1942 to 1972. Therefore, they do not show the actual impact of inflation during that interval.

Other Influences

The relatively static periods in educational development during the Great Depression of the 1930s and the years of World War II created a backlog of needs for school facilities and a demand that education be brought more closely in line with changes in society. The provision of new facilities began in the late 1940s, accelerated throughout the 1950s, and continued during the 1960s. During the latter decade, a tremendous expansion of accommodation for technical and vocational classes took place in almost all parts of the province.

Demands for improvement in the nature and extent of the instructional program increased in the latter part of the 1950s. The initiatives in curriculum development, that were taken in 1949 and 1950, were not followed by innovations or experimentation of any significance in the 1950s. Consequently, by 1960, there was an accumulation of needed adaptations and improvements that was to result in substantial changes in almost every aspect of the educational program during the ensuing decade.

The expansion of technical and vocational facilities in the 1960s made programs in these areas available in almost all parts of the province.

Consequently, there was a substantial increase in the retention rate among students of secondary school age. Provision of a wider spectrum of courses to appeal to the interests and needs of a greater range of ability in the more representative student body created a need for greater financial support.

At the same time, there were demands for new and expanded programs and services that required additional expenditures. Among these were requests for extension of classes for the handicapped, for greater individualization in the instructional program, for provision of more senior kindergarten classes, and for introduction of junior kindergartens, to mention only a few of the areas involved. Innovations and experimentation represented by new organizational patterns such as the ungraded school and the open concept school, by changes in instructional procedures such as team teaching and educational television, the use of new technology such as language laboratories, the move to greater flexibility illustrated by the removal of some of the rigidity of grade boundaries, and the introduction of the credit system were all indicative of the efforts of a dynamic school system to reorder its procedures and priorities in the interests, first, of the individual student and, second, to the changing circumstances of a rapidly evolving society.

All of these developments created unprecedented demands for more school sites and buildings, greater numbers of teachers, additional and more varied text books, equipment, and supplies, increased transportation, more sophisticated maintenance and operation procedures, and new administrative and supervisory functions. The expenditures necessary to provide these services accounted for a substantial part of the increased costs. When the cost of these changes is added to those attributable to increased enrolment, reduced teacher: pupil ratios, substantial net gains in salaries, and inflation, to which reference has already been made, it is possible to account for almost all the increased expenditures.

The rapid expansion of the educational system in the 1950s and 1960s made it inevitable that some excessive and unnecessary expenditures

would be made. Better information services, more accurate forecasting, and long-term planning would have helped to contain expenditures below the actual levels. The magnitude of the task involved in meeting the needs, however, demanded faster action than a more limited increase in enrolment would have necessitated. For the most part, the costs of new facilities and new programs were added to the costs of existing levels of operation without much consideration for establishment of priorities and selection among alternative possibilities.

Result of Increased Expenditures

By 1970, Ontario had adopted and incorporated so many improvements that it could justifiably claim to be among the most forward-looking and dynamic school systems anywhere. This position was achieved only by the commitment of greatly increased financial resources. It is a credit to the people of Ontario that they were willing to support the improvements necessary to move from an educational program, that had served admirably a relatively static society, to an innovative, creative and imaginative system designed to relate to a rapidly-developing technological age. The financial support came through higher local property taxes and greatly increased legislative grants from the province. It was not until the end of the 1960s that any serious or widespread questioning of the amount of the financial allocation to education was heard. But within a short period of time, the almost enthusiastic endorsement of expenditures for education was replaced by a demand for greater control of costs, for a re-examination of the priority position accorded to education, and for a greater degree of accountability and justification for existing programs.

Some Factors Influencing Financial Commitment to Education

There are many factors that account for the lessened commitment to the financial support of education that has occurred in recent years. While it is not our intention to identify and describe all the circumstances and influences that had a bearing on the transformation in the attitude of many people towards expenditures for education, we wish to make reference to a few of them. It is undoubtedly true that, following World War II, education was seen as the means whereby a greater majority of the

population could make the "great leap forward" to the occupation of their choice, to job security, financial independence, and "the good life". Without minimizing the contribution of education towards the attainment of these personal goals, and while recognizing the significant part played by a well-educated population towards the achievement of broad economic and social goals, it could have been that expectations were too high and to a considerable degree unrealistic. When the results were substantial, as we believe them to have been, but less than anticipated, a degree of disappointment and disillusionment occurred. Dissatisfactions with developments in the society represented by high levels of unemployment, strikes, inflationary pressures, concerns about pollution, the ecology, traffic, housing, drugs, and crime have not been without a negative impact on the attitudes of many people towards the schools as important institutions within the society.

The substantial changes in the instructional program in the schools and in the administrative organization in the decade of the 1960s contained the seeds of some negative reaction. For a variety of reasons, a proportion of the population did not accept some of the innovations that were introduced. When expectations were not fully realized, there was an understandable inclination to find fault with the steps taken and to advocate the return to former practices. What is omitted from this position is that methods and procedures that had served their time well were abandoned for good and sufficient reasons. Rarely does the solution to new problems lie in the reversion to outmoded practices. For the most part, new situations and new circumstances require new solutions that are forward-looking, creative, and imaginative. Nowhere is this approach more necessary than in education today.

We are unable to accept the inevitability of the application of the "pendulum swing" to changes in education. This concept assumes that, no matter what improvements are introduced, there will be a partial reversion to the original position and that the end result will be somewhere between the starting point and the highest level achieved by the change. Whether this principle was ever justifiable when applied to education is debatable. That it did occur is undeniable. The inherent dangers in the swing back and forth in educational practices were not nearly as serious in the

relatively static society of the past as they are in the rapidly-changing environment of today. Any backward steps now are likely to result in a degree of obsolescence that ultimately demands more drastic corrective action. In any case, it is no longer necessary to go through this process. A great deal has been learned about how change in education takes place and how it can be encouraged and sustained. The concept of "rolling reform" as enunciated in Swedish education has applicability for most school systems that aspire to relevance in a modern society. Provision for change and improvement must be an integral part of the instructional program and must permeate all areas of the educational enterprise. The school, as an important institution in the total society, cannot do less than recognize and adopt the characteristic of change if it is to serve the individual and society at all adequately.

Associated with changes in educational programs and services is the need for new initiatives in the financing of education. Before dealing with possibilities in that area, we now turn to a more detailed analysis of existing costs as a basis for understanding some of the problems that must be resolved.

Expenditure Per Pupil by Boards

(a) Elementary

There is a considerable range in the ordinary operating expenditure per pupil by elementary school boards in the province. In 1972, the board at the top of the range spent \$806 while the board at the lowest point in the range spent \$491, a difference of \$315 per pupil. Therefore, the first board spent 64 per cent more per pupil in 1972 than did the latter board.

A three-year comparison, for the period 1970 to 1972 inclusive, of the actual expenditure per pupil by the Metropolitan Toronto School Board and the average of the expenditures of a number of school boards by several board groupings is shown in Table 4 and Graph 2. In 1970, the range of expenditure was from \$492 to \$596; in 1971, it was from \$530 to \$751; and in 1972, from \$581 to \$786. The extent of the range was \$104 in 1970;

\$221 in 1971; and \$205 in 1972. Consequently, between 1970 and 1972, the gap between the expenditure per pupil for the Metropolitan Toronto School Board and the average for the County boards actually increased by \$101 per pupil.

TABLE 4
INCREASES IN AVERAGE OF EXPENDITURE
PER ELEMENTARY SCHOOL PUPIL BY BOARD CLASSIFICATION
1970, 1971, and 1972

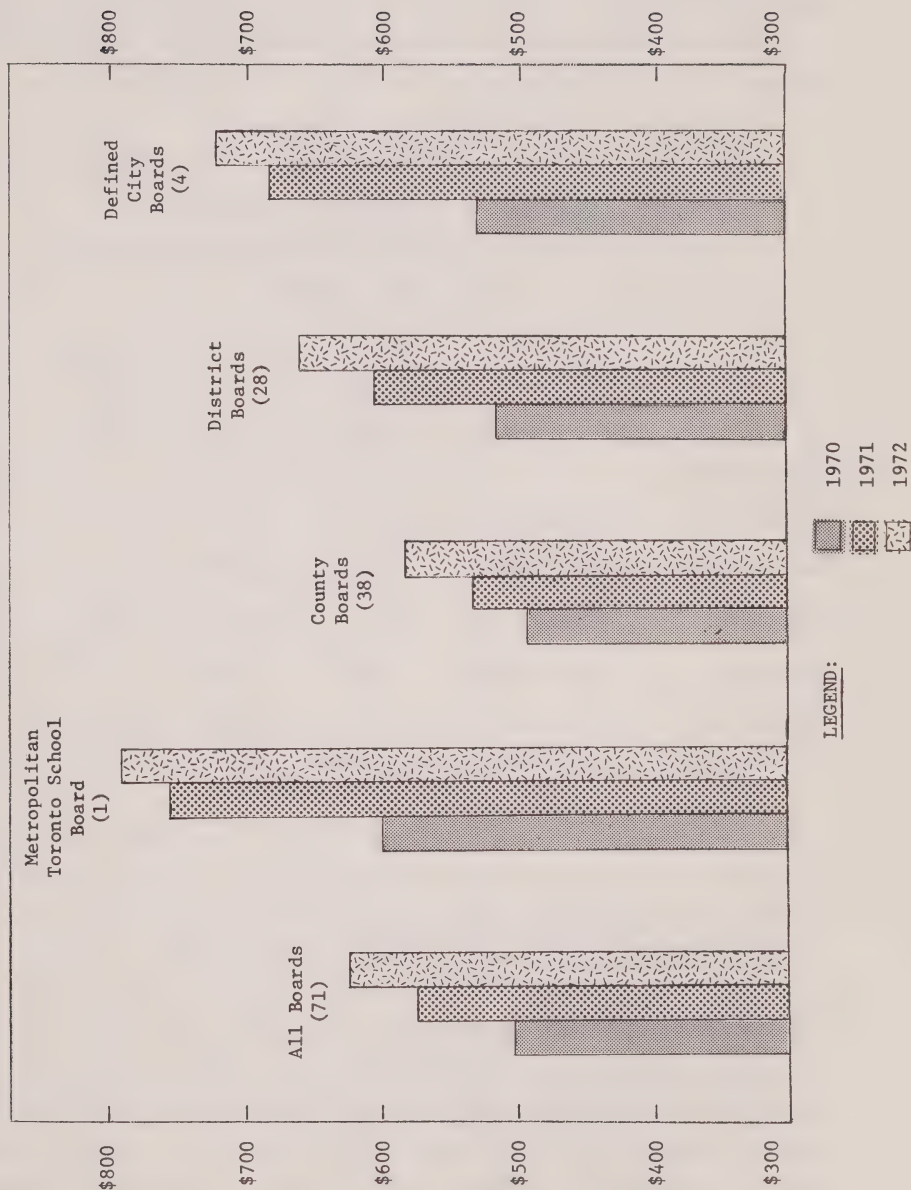
	<u>1970</u>	<u>1971</u>	<u>Increase 1971 Over 1970</u>	<u>1972</u>	<u>Increase 1972 Over 1971</u>	<u>Total Increase 1972 Over 1970</u>
Metropolitan Toronto School Board	\$596	\$751	(\$155)	\$786	(\$ 35)	(\$190)
Defined Cities	\$525	\$676	(\$151)	\$717	(\$ 41)	(\$192)
Counties	\$492	\$530	(\$ 38)	\$581	(\$ 51)	(\$ 89)
Districts	\$510	\$603	(\$ 93)	\$657	(\$ 54)	(\$147)
Average	\$502	\$570	(\$ 68)	\$622	(\$ 52)	(\$120)

(b) Secondary

In 1972, two small boards in Northern Ontario spent \$1,392 and \$1,351 per pupil respectively, while the lowest-spending board in all Ontario spent \$933. The difference between the highest-spending board and the lowest-spending board was, therefore, \$459 per pupil, or 49 per cent. If the two small units in the North are left out of the comparison, the next highest-spending board was the Metropolitan Toronto School Board at \$1,281 per pupil. The average of the expenditures per pupil for 38 school boards in the counties and regions of Southern Ontario was \$1,072, or a difference of \$209 per pupil. Therefore, the former Board spent almost 20 per cent more per pupil in 1972 than the average of the expenditures by the latter boards. If the comparison were made between the highest-spending Lake Superior Board of Education and the county and region boards, the difference would have been \$320, or 29.9 per cent.

GRAPH 2

AVERAGE OF ORDINARY OPERATING EXPENDITURE PER ELEMENTARY PUBLIC SCHOOL PUPIL BY BOARD CLASSIFICATION
1970, 1971, and 1972



A three-year comparison, similar to the one at the elementary level, shows that the range of expenditures between the Metropolitan Toronto School Board and other boards was from \$955 to \$1,055 in 1970; from \$1,011 to \$1,204 in 1971; and from \$1,072 to \$1,281 in 1972 (Table 5 and Graph 3). The extent of the range was \$100 in 1970; \$193 in 1971; and \$209 in 1972. Consequently, between 1970 and 1972, the gap between the expenditure per pupil for the Metropolitan Toronto School Board and the average for the other groups of boards increased by \$109.

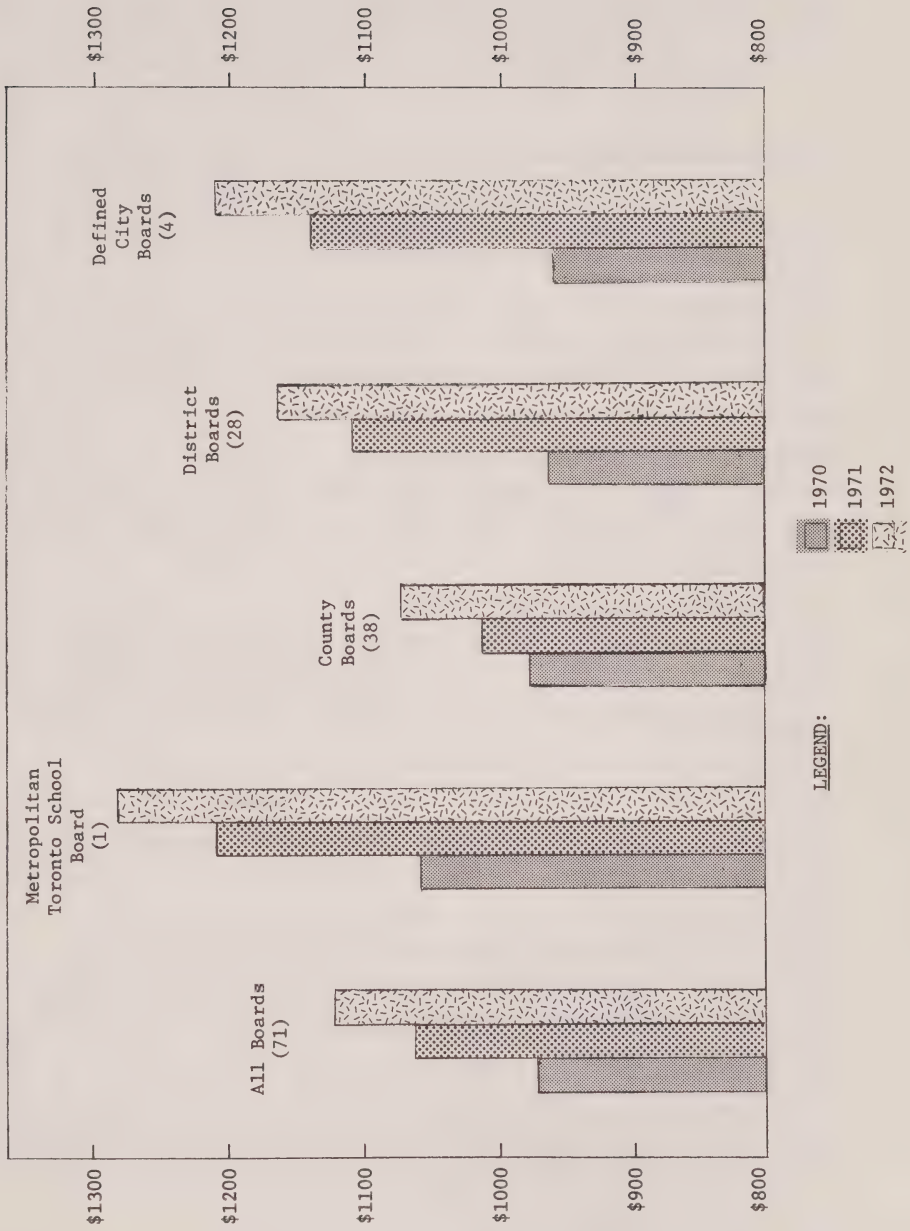
TABLE 5
INCREASES IN AVERAGE OF EXPENDITURE
PER SECONDARY SCHOOL PUPIL BY BOARD CLASSIFICATION
1970, 1971, and 1972

	<u>1970</u>	<u>1971</u>	<u>Increase 1971 Over 1970</u>	<u>1972</u>	<u>Increase 1972 Over 1971</u>	<u>Total Increase 1972 Over 1970</u>
Metropolitan Toronto School Board	\$1,055	\$1,204	(\$149)	\$1,281	(\$ 77)	(\$226)
Defined Cities	\$ 955	\$1,135	(\$180)	\$1,208	(\$ 73)	(\$253)
Counties	\$ 974	\$1,011	(\$ 37)	\$1,072	(\$ 61)	(\$ 98)
Districts	\$ 962	\$1,107	(\$145)	\$1,162	(\$ 55)	(\$200)
Average	\$ 969	\$1,059	(\$ 90)	\$1,118	(\$ 59)	(\$149)

These comparisons indicate that equality of educational opportunity, in so far as it is related to expenditure per pupil, does not exist in Ontario. The promise of equality of opportunity with which the county and district boards were established in 1969 has been fulfilled to a considerable degree within each board jurisdiction. The potential to achieve equality of opportunity among boards in a few years existed when the boards were created. But the provisions of the General Legislative Grant Regulation in each year since 1971 have done little or nothing to promote greater equality in terms of expenditure per pupil and have actually perpetuated inequality among boards. This result occurred particularly because of the introduction and refinement of weighting factors

GRAPH 3

AVERAGE OF ORDINARY OPERATING EXPENDITURE PER SECONDARY SCHOOL PUPIL BY BOARD CLASSIFICATION
1970, 1971, and 1972



with exaggerated allowances for boards that were already high spenders and by limitations in effect until 1974 on the amount of the annual increase in expenditure permitted to boards that were relatively low spenders when the ceilings were introduced. A more detailed description and analysis of these factors as deterrents to greater equality are given later in this Report.

General Legislative Grants

During the Depression of the 1930s, school grants represented a small proportion of the expenditures by school boards for operating and capital purposes. Even by the end of the decade, legislative grants totalled only slightly over \$7 million and this amount did not change substantially in the early 1940s (Table 6 and Graph 4). In the general election of 1943, the opposition Conservative Party, under the leadership of Mr. George A. Drew, made a commitment that, if elected, it would "assume 50 per cent of the school tax now charged against real estate".⁹ After it achieved office, the government interpreted this commitment to mean half the costs of education. While the result of this interpretation fell considerably short of reducing the property tax for education by 50 per cent, it still represented a greatly increased proportion of the total cost. The new grant Regulation issued in late 1944, for implementation in 1945, was intended to honour the government's commitment. It introduced the concept of "approved costs" which meant that expenditures in this category were eligible for grant. Other expenditures outside the definition were not considered eligible for grant and, therefore, had to be financed wholly by local property tax. While grants might approximate 50 per cent of the proportion of expenditures eligible for grant for the province as a whole, the result was that the actual percentage of the costs paid by grants was slightly over 42 per cent for each of the years 1945 and 1946. But this was a substantial increase over the 15.26 per cent in 1944. However, the percentage declined to a little over 38 per cent in 1947 and to 36 per cent in 1948. It remained in

⁹ Fleming, W. G., The Administrative Structure in the series Ontario's Educative Society/II, p. 227.

TABLE 6
SCHOOL BOARD EXPENDITURES AND GENERAL LEGISLATIVE GRANTS
1942 to 1972
E L E M E N T A R Y

Calendar Year	Public			Separate			Total Elementary		
	Expenditure	Grant	Percentage	Expenditure	Grant	Percentage	Expenditure	Grant	Percentage
1942	\$ 30,920,477	\$ 4,376,582	14.15	\$ 4,970,784	\$ 1,221,098	24.57	\$ 35,891,261	\$ 5,597,680	15.60
1943	32,033,539	4,868,401	15.20	4,884,116	1,251,301	25.62	36,917,655	6,119,702	16.58
1944	34,476,335	5,440,597	15.78	5,378,934	1,317,591	24.50	39,855,269	6,758,188	16.96
1945	37,202,353	5,413,695	14.53	5,650,999	2,139,249	42.42	42,853,352	17,810,944	41.36
1946	40,139,491	16,789,359	41.83	2,623,592	46,240,549	42.03	46,240,549	19,412,951	41.85
1947	46,594,891	16,898,903	36.27	6,868,237	2,589,250	36.70	53,463,128	19,488,153	36.45
1948	53,704,549	17,233,671	32.09	7,783,687	3,033,802	39.00	61,488,236	20,267,473	32.96
1949	59,151,314	20,796,723	35.16	8,754,696	3,581,512	40.91	67,906,010	24,378,235	35.90
1950	60,407,506	23,501,863	38.91	11,223,363	5,032,667	44.75	71,632,869	28,525,530	39.82
1951	80,518,919	25,797,322	32.04	13,744,696	5,838,650	42.49	94,261,615	31,635,972	33.56
1952	93,670,589	29,827,205	31.84	15,051,537	6,603,114	43.87	108,722,126	36,430,319	33.51
1953	103,056,194	30,986,285	30.07	16,487,357	7,451,871	45.20	119,543,551	38,438,156	32.15
1954	114,704,172	36,632,300	31.94	19,758,087	9,134,591	46.23	134,462,259	45,766,891	34.04
1955	135,624,935	39,260,847	28.95	25,491,775	10,516,673	41.26	161,116,710	49,777,520	30.90
1956	152,261,300	42,747,172	28.08	29,801,942	12,140,178	40.74	182,063,242	54,887,350	30.15
1957	171,422,123	52,720,012	30.75	35,066,315	15,141,596	43.18	206,488,438	67,861,608	32.87
1958	193,167,518	66,544,232	34.45	42,754,029	21,400,561	50.06	235,921,547	87,944,813	37.28
1959	219,580,310	73,964,411	33.68	51,243,868	26,336,908	51.43	270,824,178	100,321,319	37.04
1960	240,659,052	78,305,517	32.54	58,341,349	29,397,037	50.39	299,000,401	107,702,554	36.02
1961	258,865,872	87,135,917	33.66	65,868,789	34,440,679	52.29	324,734,661	121,576,596	37.44
1962	274,531,633	97,390,537	35.48	74,971,736	41,200,455	55.00	349,503,369	138,590,992	39.55
1963	284,151,606	105,952,784	37.29	77,044,278	48,053,197	62.37	361,192,884	154,005,981	42.64
1964	314,285,000	119,514,000	38.03	94,449,000	65,888,000	69.76	408,734,000	185,402,000	45.36
1965	347,054,000	129,521,000	37.32	109,788,000	76,529,000	69.71	456,842,000	206,050,000	45.10
1966	396,930,000	148,552,000	37.42	130,154,000	90,044,000	69.18	527,084,000	238,596,000	45.27
1967	456,422,000	172,688,000	37.84	162,296,000	120,249,000	74.09	618,718,000	292,937,000	47.35
1968	551,066,000	220,684,000	40.05	197,897,000	148,134,000	74.85	748,963,000	368,818,000	49.24
1969	627,141,000	254,892,000	40.64	226,888,000	171,917,000	75.77	854,029,000	426,809,000	50.00
1970	711,968,000	303,930,000	42.69	263,177,000	207,510,000	78.85	975,145,000	511,440,000	52.45
1971	759,025,000	366,052,000	48.23	292,760,000	235,362,000	80.39	1,051,785,000	601,414,000	57.18
1972	820,047,000	424,615,000	51.78	321,271,000	262,743,000	81.78	1,141,318,000	687,358,000	60.23

Source: Reports of the Minister of Education with figures adjusted for purposes of comparison.

TABLE 6 (Continued)

SCHOOL BOARD EXPENDITURES AND GENERAL LEGISLATIVE GRANTS

1942 to 1972

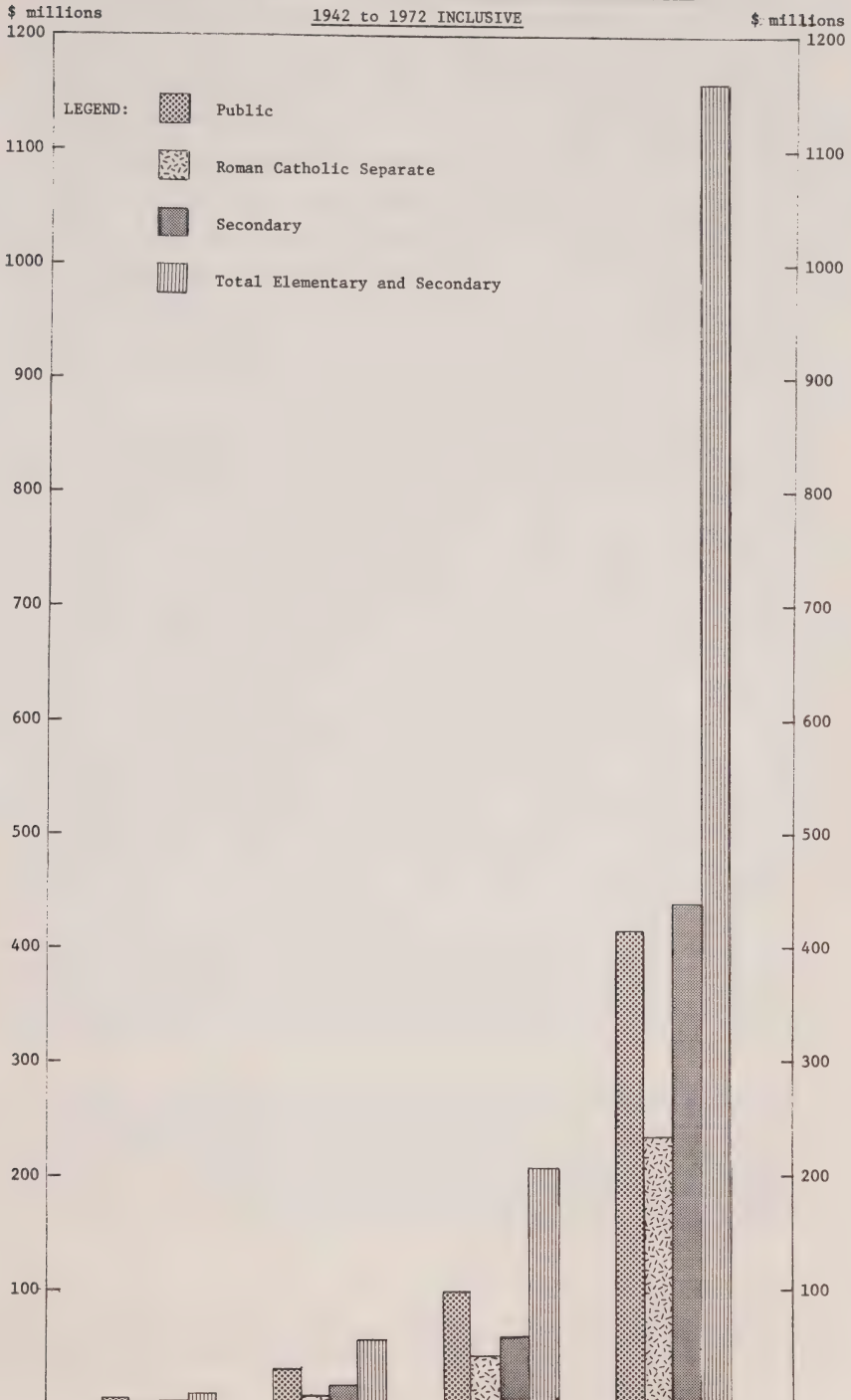
E L E M E N T A R Y a n d S E C O N D A R Y

Calendar Year	Total Elementary			Secondary			Total Elementary and Secondary		
	Expenditure	Grant	Percentage	Expenditure	Grant	Percentage	Expenditure	Grant	Percentage
1942	\$ 35,891,261	\$ 5,597,680	15.60	\$ 17,053,819	\$ 2,012,217	11.80	\$ 52,945,080	\$ 7,609,897	14.37
1943	36,917,655	6,118,702	16.58	17,271,477	1,984,695	11.49	54,189,132	8,104,397	14.96
1944	39,835,269	6,758,188	16.96	17,944,262	2,063,208	11.50	57,799,531	8,821,396	15.26
1945	42,853,352	17,010,944	41.56	19,673,618	8,667,969	44.06	62,526,970	26,678,913	42.35
1946	46,382,040	19,412,951	41.85	22,017,952	9,883,576	44.89	68,399,992	29,296,527	42.83
1947	53,463,128	19,488,133	36.45	25,336,336	10,723,572	42.32	78,799,464	30,211,725	38.34
1948	61,488,236	20,267,473	32.96	28,698,045	12,318,062	42.92	90,186,281	32,585,535	36.13
1949	67,906,010	24,378,235	35.90	32,193,261	13,220,202	41.07	100,099,271	37,598,437	37.56
1950	77,632,869	28,525,530	36.74	35,404,022	14,141,891	39.94	113,036,891	42,667,421	37.75
1951	94,261,615	31,635,972	33.56	42,178,906	15,727,445	37.29	136,440,521	47,363,417	34.71
1952	108,722,126	36,430,319	33.51	48,891,066	17,546,308	35.89	157,613,192	53,978,627	34.25
1953	119,543,551	38,438,156	32.15	51,916,371	19,453,389	37.47	171,459,922	57,891,545	33.76
1954	134,462,259	45,766,891	34.04	58,751,193	22,200,115	37.78	193,213,452	67,967,006	35.18
1955	161,116,710	49,777,520	30.90	76,208,966	22,584,611	29.63	237,323,676	72,362,131	30.49
1956	182,063,242	54,887,350	30.15	86,103,855	24,302,130	28.22	268,167,097	79,189,480	29.53
1957	206,488,438	67,861,608	32.87	99,709,745	29,115,931	29.20	306,198,183	96,977,539	31.67
1958	235,921,547	87,944,813	37.28	117,359,610	40,381,114	34.40	353,281,157	128,325,927	36.32
1959	270,824,178	100,321,319	37.04	139,770,695	48,264,763	34.53	410,594,873	148,586,082	36.19
1960	299,000,401	107,702,554	36.02	155,623,200	51,259,978	32.94	454,623,601	158,962,532	34.97
1961	324,734,661	121,576,596	37.44	177,960,689	59,496,896	33.70	502,695,350	181,546,492	36.12
1962	349,503,369	138,590,992	39.65	200,318,988	61,863,827	30.88	549,822,357	200,454,819	36.46
1963	361,192,884	154,005,981	42.64	221,967,844	76,038,948	34.26	583,160,728	230,044,929	39.45
1964	408,734,000	185,402,000	45.36	264,919,000	100,339,000	37.88	673,653,000	285,741,000	42.42
1965	456,842,000	206,050,000	45.10	300,992,000	119,911,000	39.84	757,834,000	325,961,000	43.01
1966	527,084,000	238,596,000	45.27	351,363,000	140,090,000	39.87	878,447,000	378,686,000	43.11
1967	618,718,000	292,937,000	47.35	429,424,000	167,663,000	39.04	1,048,142,000	460,600,000	43.94
1968	748,963,000	368,818,000	49.24	513,417,000	188,589,000	36.73	1,262,380,000	537,407,000	44.16
1969	854,029,000	426,808,000	50.00	603,405,000	232,777,000	41.92	1,457,054,000	679,586,000	46.64
1970	975,145,000	511,440,000	52.45	685,876,000	333,139,000	48.57	1,661,021,000	844,579,000	50.85
1971	1,051,785,000	601,414,000	57.18	749,470,000	411,090,000	54.85	1,801,255,000	1,012,504,000	56.21
1972	1,141,318,000	687,358,000	60.23	815,142,000	467,833,000	57.53	1,956,460,000	1,155,191,000	59.05

Source: Reports of the Minister of Education with figures adjusted for purposes of comparison.

GRAPH 4

LEGISLATIVE GRANTS TO SCHOOL BOARDS AT TEN YEAR INTERVALS



the 29 to 39 per cent range until 1964, when it again reached 42 per cent.

The grant formula introduced in 1945 remained substantially the same through the years up to and including 1949. In 1950, it was revised and extended and then continued with many minor adaptations until 1958. In the latter year, two developments of major significance took place. First, with the introduction of the concept of equalized assessment, it became possible to compare the ability of municipalities to pay for education and to use the same information as a basis for determining the rate of grant to each school board. The second alteration was designed to meet the needs of boards faced with rapidly increasing enrolments by recognizing exceptional expenditures associated in particular with growth and expansion of facilities and transportation services. In 1961, a Residential and Farm School Tax Assistance Grant was introduced as a further attempt to meet the criticism associated with increasing local property taxes and the rapidly-burgeoning costs of education. A school board that received this special grant was required to reduce its taxes for education on home owners and farmers by ten per cent below the rate applicable to commercial properties. The result was the creation of the "split mill rate" between the two categories of assessment with the rate for residential and farm properties at 90 per cent of the rate for commercial properties. This principle is perpetuated in Section 78 of The Schools Administration Act.¹⁰

The Ontario Committee on Taxation summarized developments in the financing of education in the period from 1953 to 1962 in the following terms:

"First, there was a decided trend in the direction of growing percentages of provincial grant contribution in urban municipalities for all types of school boards. This phenomenon is due to a combination of factors, one of which is the extension to these municipalities of equalization on the basis of assessment from 1958 and, throughout the period, rising en-

¹⁰ The Schools Administration Act, R.S.O., 1970, Chapter 424, as amended by 1971, Chapter 90, Queen's Printer and Publisher, Toronto, 1971.

rolments due to a combination of natural population increase, rural-urban population shifts, immigration, and annexation of suburban areas. Second, the proportional rise in grant contributions to urban schools was particularly marked among separate school boards after 1958. This is largely due to the extension in that year of equalization on the basis of assessment: the rise in the provincial grant reflected the dearth of industrial and commercial properties taxable for separate school purposes. Third, in the domain of secondary education, the proportional provincial contribution showed a tendency to catch up to the public school percentage in urban municipalities and to decline somewhat elsewhere, reflecting grant formula changes favourable to secondary school enrolment. Fourth and last, the provincial contribution to school finance in small indigent municipalities was high and relatively stable. Among such municipalities, provincial grants as high as 70 and 80 per cent of public school expenditure, were not uncommon."¹¹

The next major development in provincial support of education was the introduction of the Ontario Foundation Tax Plan in 1964. This plan attempted to extend the earlier provisions towards greater equalization of the tax load and to recognize to a greater degree the financial circumstances of each board than was possible under the former system of designating boards into groups with supposedly similar needs. Three major characteristics of the Plan were the basic tax relief grant, special or stimulation grants, and equalization grants. There were three categories of equalization grants, namely, a corporation tax adjustment grant for elementary schools, a recognized extraordinary expenditure grant, and a school tax equalization grant. In effect, the corporation tax adjustment grant was intended to meet the long-standing accusation by Separate School supporters that they were at a disadvantage in the quality of the education they could provide when compared with Public School ratepayers because of the much greater amount of corporation tax assessment available to the Public Schools.

In 1969, following the establishment of the county and district school boards, the Ontario Foundation Tax Plan was replaced by a new plan that was designed to take into account the new organizational structure. Particular features of the grant plan in effect in the 1970s will be

¹¹The Ontario Committee on Taxation, Vol. II, Queen's Printer and Publisher, Toronto, 1967, p. 387.

dealt with in greater detail elsewhere in this Report.

For a more detailed description and analysis of the provincial role in the financing of elementary and secondary education in Ontario from the beginning of support to the early 1970s, the reader is referred to three publications.^{12, 13, 14} The Committee has drawn heavily on these sources and acknowledges with appreciation the contribution they have made to our brief review in this Report. The fact that these thorough and scholarly studies of a complicated area of government involvement in education are available has contributed greatly to our understanding of the problems involved, has reduced the amount of background work we had to do, and has helped us to keep the size of this Report within reasonable limits.

Proportion of Provincial Expenditures Devoted to Education

During the years for which data are provided in Table 7, there has been a deceleration in the rate of increase in the provincial budgetary provision for education from 19.73 per cent in 1971-72 to an estimated 4.45 per cent in 1973-74. At the same time, the gross budgetary expenditure of the province increased by 15.54 per cent in 1971-72, by 7.52 per cent in 1972-73, and by an estimated 12.16 per cent in 1973-74. The deceleration in the percentage increase of total provincial expenditures on education is paralleled by a similar trend in general legislative grants to an estimated increase of only 4.57 per cent in 1973-74.

The amount and proportion of the provincial budget devoted to the major spending areas are shown in Table 8, Table 9, and Graph 5 respectively. For each of the four fiscal years from 1970-71 to 1973-74 inclusive, the disbursements by the province for education, exclusive of colleges and universities, were \$1,003.5, \$1,201.5, \$1,316.0, and \$1,374.5 millions respectively (Table 7). The amounts of the annual increase over the

¹²Ibid.

¹³Fleming, W. G., The Administrative Structure.

¹⁴Cameron, David M., Schools for Ontario, University of Toronto Press, Toronto, 1972.

TABLE 7

COMPARISON OF PROVINCIAL BUDGETARY EXPENDITURES FOR EDUCATION

	<u>1970-71 to 1973-74</u>				Estimated
	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73</u>	<u>1973-74</u>	
	(\$ millions)				
Education expenditures					
Dollar increase	\$1,003.5	\$1,201.5	\$1,316.0	\$1,374.5	
Percentage increase		\$ 198.0 19.73	\$ 114.5 9.53	\$ 58.5 4.45	
Gross budgetary expenditure	\$5,216.7	\$6,027.5	\$6,481.0	\$7,269.3	
Dollar increase		\$ 810.8	\$ 453.5	\$ 788.3	
Percentage increase		15.54	7.52	12.16	
General legislative grants	\$ 811.7	\$1,011.0	\$1,167.4	\$1,220.7	
Dollar increase		\$ 199.3	\$ 156.4	\$ 53.3	
Percentage increase		24.56	15.47	4.57	

TABLE 8

PROVINCIAL BUDGETARY EXPENDITURE BY POLICY FIELD

	1970-71 to 1973-74			
	(\$ millions)			
	1970-71 ¹	1971-72 ¹	1972-73 ²	Estimated ¹ 1973-74
Social Development Policy:				
Education	\$1,003.5	\$1,201.5	\$1,316.0	\$1,374.5
Colleges and Universities	597.5	620.1	709.0	807.4
<i>Sub-total</i>	1,601.0	1,821.6	2,025.0	2,181.9
Health	1,597.3	1,792.3	2,002.0	2,192.4
Community and Social Services	316.7	394.3	420.0	483.8
<i>Total Social Development Policy</i>	3,515.0	4,008.2	4,447.0	4,858.1
Resources Development Policy	767.1	887.8	903.0	1,025.7
Justice Policy	193.2	215.7	241.0	265.1
Other Ministries, etc.	430.8	535.2	413.0	543.4
Public Debt - Interest	310.6	380.6	477.0	577.0
GROSS BUDGETARY EXPENDITURE	\$5,216.7	\$6,027.5	\$6,481.0	\$7,269.3

Sources: ¹The Ontario 1973 Budget, p. C-11.²Financial Report 1973 Province of Ontario, p. 12.

TABLE 9

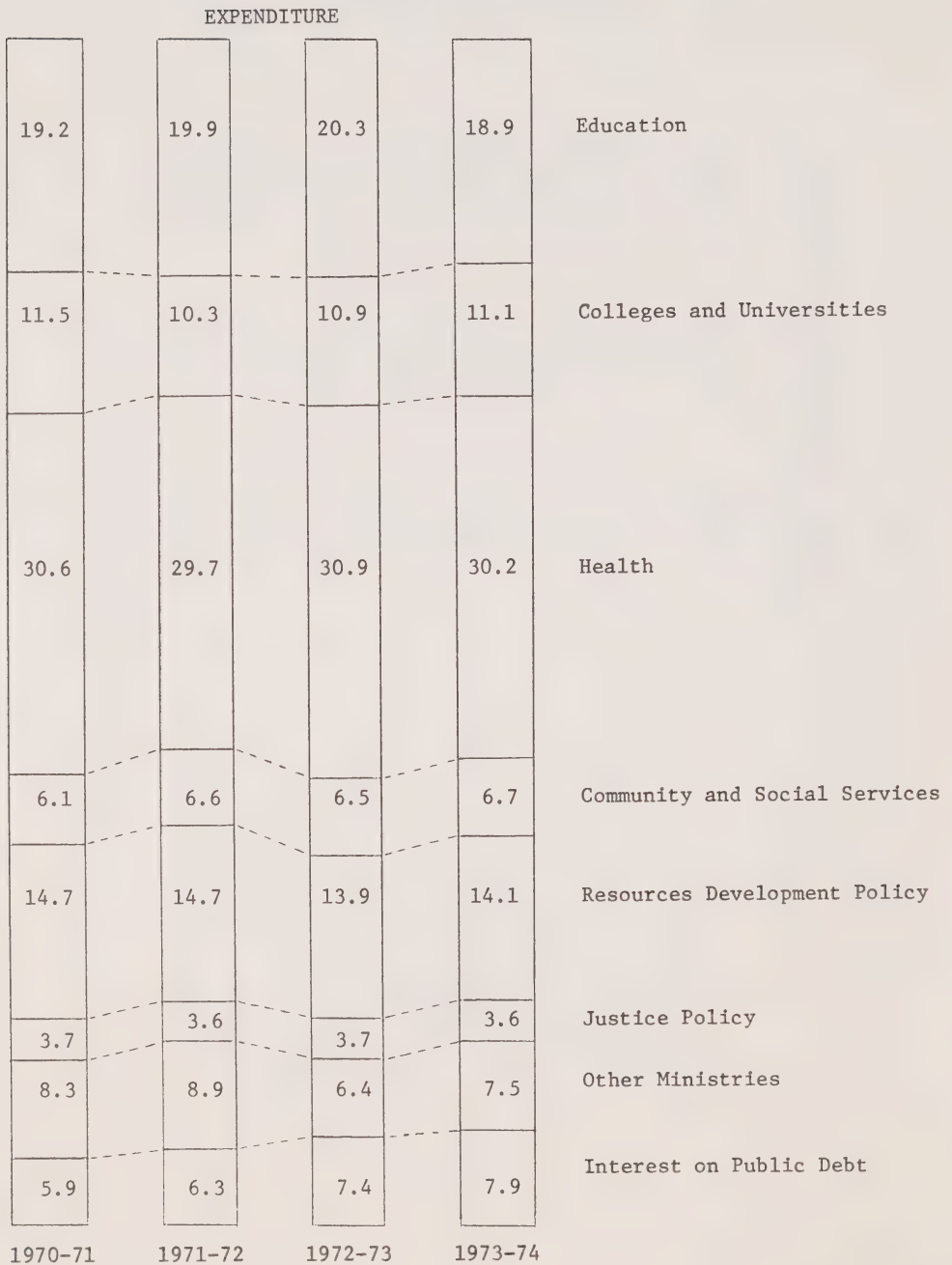
PERCENTAGE PROVINCIAL BUDGETARY EXPENDITURE BY POLICY FIELD

	<u>1970-71 to 1973-74</u>				Estimated 1973-74
	<u>1970-71</u>	<u>1971-72</u>	<u>1972-73</u>		
Social Development Policy:					
Education	19.2	19.9	20.3		18.9
Colleges and Universities	11.5	10.3	10.9		11.1
<i>Sub-total</i>	<u>30.7</u>	<u>30.2</u>	<u>31.2</u>		<u>30.0</u>
Health	30.6	29.7	30.9		30.2
Community and Social Services	6.1	6.6	6.5		6.7
<i>Total Social Development Policy</i>	<u>67.4</u>	<u>66.5</u>	<u>68.6</u>		<u>66.9</u>
Resources Development Policy	14.7	14.7	13.9		14.1
Justice Policy	3.7	3.6	3.7		3.6
Other Ministries, etc.	8.3	8.9	6.4		7.5
Public Debt - Interest	5.9	6.3	7.4		7.9
GROSS BUDGETARY EXPENDITURE	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>		<u>100.0</u>

Source: Table 8.

GRAPH 5

PERCENTAGE PROVINCIAL BUDGETARY EXPENDITURE
BY MAJOR EXPENDITURE MINISTRIES
1970-71 to 1973-74



period were \$198.0, \$114.5, and \$58.5 millions respectively. The percentages of the total budget allocated to the Ministry of Education from 1970-71 to 1973-74 were 19.2, 19.9, 20.3 and 18.9 respectively (Table 9). While the percentage increased by .7 per cent in 1971-72 and by .4 per cent in 1972-73, it declined by 1.4 per cent in 1973-74 to the level of 18.9 per cent, the lowest proportion in four years. The percentage distribution of provincial budgetary expenditures is also shown in Graph 5.

Employer's Share of Teachers' Superannuation Contribution

At the present time, a school board deducts a total of six per cent from a teacher's salary for the teacher's contribution to The Teachers' Superannuation Fund and the Canada Pension Plan. The amount of the deduction payable to The Teachers' Superannuation Fund is six per cent of the part of the teacher's salary that is below the year's basic exemption as prescribed by the Canada Pension Plan; 4.2 per cent of the part that is between the year's basic exemption and the year's maximum pensionable earnings as prescribed by the Canada Pension Plan; and six per cent of the part that is in excess of the maximum pensionable earnings under the Canada Pension Plan. The amount of the deduction payable to The Teachers' Superannuation Fund, as determined by the above calculation, must be sent by the school board to The Teachers' Superannuation Commission before the fifteenth day of the month following the deduction by the board. Similarly, the amount of the deduction made for the Canada Pension Plan must be forwarded to that body by the school board. This procedure is in accordance with standard practice applicable to employers generally.

In the case of the employer's contribution, however, the procedure is quite different, in so far as The Teachers' Superannuation Fund is concerned. Prior to 1969, the Department of Education calculated the amount of the employer's contribution to each of The Teachers' Superannuation Fund and the Canada Pension Plan and paid these amounts direct to the Fund and the Plan. The result was that neither payment showed in the accounts of school boards, so that they were not shown as a cost of education at the school board level. At the insistence of the Canada Pension Plan, however, school boards, as the employers, were required after 1969 to make payment of the employer's share of the contribution to the

Canada Pension Plan direct to the Plan. Consequently, since that time, the employer's contribution has been shown in the accounts of school boards and as part of the cost of education at the local level.

In the case of the employer's contribution to The Teacher's Superannuation Fund, the Ministry of Education has continued to make a direct payment to the Fund on behalf of all school boards. The amount of this payment is still not shown as part of the cost of education at the local level but is shown as a separate item in the estimates of the Ministry of Education. The Ministry does not make payment to the Fund at the time when the comparable deduction from the teacher's salary is forwarded to the Fund. The Fund does, however, pay interest on the overdue amount until actual payment is made. The amount of the direct lump sum payments from the Ministry to the Fund in recent years is shown in Table 10.

TABLE 10
MINISTRY OF EDUCATION PAYMENTS TO THE TEACHERS'
SUPERANNUATION COMMISSION AS SCHOOL BOARDS' SHARE OF CONTRIBUTIONS
1970-71 to 1973-74

<u>Date</u>	<u>Amount</u>
1970-71	\$45,500,311 ¹
1971-72	51,004,415 ¹
1972-73	58,131,273 ¹
1973-74 (Estimates)	61,175,000 ²

Sources: ¹Public Accounts, Ontario, 1970-71 to 1972-73

²Expenditure Estimates 1973-74, Volume 4, Social Development Policy Field, Queen's Printer and Publisher, Toronto, 1973, p. S43.

Under existing provisions, the Ministry of Education is paying 100 per cent of the employer's contribution to the Fund on behalf of teachers. This procedure is inconsistent with the principle that a board's rate of grant is determined by its equalized assessment per weighted pupil which is supposed to be indicative of a board's ability to pay. Under the present arrangement, the board with the highest assessment has this part of

the employer's contribution paid at the rate of 100 per cent just as is the case for a board of very low assessment. If the principle of ability to pay were fully recognized, the board of high assessment would receive a lower rate of grant on this item with the result that the province's total contribution on behalf of most school boards would be reduced. The amount of each board's payment would, under the present Regulation, become part of recognized ordinary expenditure for grant purposes. The amount not expended for this purpose could then be applied to general legislative grants to be distributed among boards on the basis of their grant rates and, therefore, on the basis of need.

Regardless of financial implications, there is no logical reason why the Ministry of Education should assume direct responsibility for an expenditure item that should be part of the operating expenditures of school boards. Each teacher's contract is with his school board so that the Ministry of Education is not the employer and should not, as a third party, be involved in direct payment of part of the costs resulting from the contract. When the Ministry does so, it removes from the accounts of school boards an expenditure that is a legitimate cost for them and thereby distorts the figures relating to expenditures at the local level.

It is our view that the Ministry of Education should discontinue its present practice in favour of the procedure whereby each school board would make direct payment to The Teachers' Superannuation Fund of the employer's contribution on behalf of its teachers. The equivalent amount of the direct transfer from the Ministry to the Fund would then be added to the amount of the grants to school boards. The change would not alter in any way the benefits payable to teachers under the provisions of the Fund. But it would result in immediate payment to the Fund of contributions due to it. The two payments to the Fund and to the Canada Pension Plan would be made in the same manner. Direct payment by boards to the Fund would result in a more accurate indication of the true costs of education at the local level.

Federal Grant Based on Operating Costs for Grade 13

In 1966, the Federal government developed new formulae for the calculation

of fiscal transfers to the provinces, using the operating costs of post-secondary institutions in each province as the data base. Of two alternatives, Ontario chose the arrangement whereby it received in grants an amount equivalent to 50 per cent of the operating costs of its post-secondary institutions. Because Ontario considered grade 13 to be the equivalent of first-year university in some of the other provinces, it requested that the cost of operation of grade 13 classes be included in the calculation. This was accepted by the Federal government which then extended the principle to include the final year of the secondary program in other provinces. For the first year in which the calculation was made, the total cost of operation of all grade 13 classes was approximately \$31 million. Consequently, the province was reimbursed by a fiscal transfer of about \$16.5 million. This arrangement has persisted to the present time. For 1972, the cost had increased to approximately \$68,338,000 with the fiscal transfer from the Federal government amounting to \$34,119,000. It must be emphasized, however, that the amount of the fiscal transfer is paid into the Consolidated Revenue of the province and that it is not designated specifically for education. The additional sum becomes part of the total revenues from which allocation of funds is made to all Ministries.

Larger Units of Administration and Expenditures

A great deal of publicity has been given to the claim that there was a substantial increase in the expenditures on education as a result of the creation of the county and district school boards in 1969. We were particularly concerned about this claim and examined the data to determine its validity. Table 11 shows the comparative expenditure figures for the province as a whole for the years immediately preceding the establishment of the new boards and for the succeeding years for which the data are available.

In 1966, the increase in expenditures at the elementary level was 15.38 per cent over the preceding year. At the secondary level, it was 16.74 per cent, and the overall percentage increase was 15.92. In 1967, the increase at the elementary level reached 17.39 per cent. At the secondary level it was 22.22 per cent, with an overall increase of 19.32 per

TABLE 11
COMPARATIVE EXPENDITURES FOR EDUCATION BEFORE AND AFTER CREATION
OF COUNTY AND DISTRICT SCHOOL BOARDS IN 1969

(\$ Thousands)

Year	Elementary School Boards	Percentage Increase Over Preceding Year		Secondary School Boards	Percentage Increase Over Preceding Year		Total Elementary and Secondary	Percentage Increase Over Preceding Year
		Year	Year		Year	Year		
1966	\$ 527,084	15.38		\$351,363	16.74		\$ 878,447	15.92
1967	618,718	17.39		429,424	22.22		1,048,142	19.32
1968	748,963	21.05		513,417	19.56		1,262,380	20.44
<hr/>								
1969	854,029	14.03		603,025	17.45		1,457,054	15.42
1970	975,145	14.18		685,876	13.74		1,661,021	14.00
1971	1,015,785	4.17		749,470	9.27		1,801,255	8.44
1972	1,141,318	12.36		815,142	8.76		1,956,460	8.62

Source: Reports of the Minister of Education with figures adjusted for purposes of comparison.

cent. Since the announcement of the establishment of the large units was made in mid-November, 1967, it could not have affected expenditures in that year to any significant extent.

But the increase at the elementary level in 1968 was 21.05 per cent. The increase at the secondary level was less than for the previous year but still a substantial 19.56 per cent. The overall increase was 20.44 per cent.

We have referred earlier to the factors that influence expenditures for education. Table 12 shows the enrolment for the years 1966 to 1972 and the percentage increases. The rise in enrolment at the secondary level, where the cost per pupil is greater, has continued over the period but at a decelerating rate since 1968. At the elementary level, the enrolment increased until 1970 but began to decline in 1971. Inflation also had a significant impact on the amount of the increase in expenditures. The purchasing power of the Canadian dollar, using the base year of 1961 equalling 100, decreased from 89.77 cents in 1966 to 71.50 cents in 1972, or by 18.27 cents (Table 2). Between 1968 and 1969 the decrease was from 83.26 cents to 79.68 cents, or 3.58 cents. The other factors discussed earlier in this chapter also account for part of the increased costs over the period.

There were also some influences on costs that can be attributed directly to the decision to establish the new county and district boards. Undoubtedly, some of the increased expenditures in 1968 were the result of the actions of a few boards that decided to dispose of surpluses before entering the larger unit, while a few made expenditures so that they would enter the new organization in a deficit position. But the impact of any such actions was minimal when compared with the total increases. Consequently, it is apparent that under the former boards the costs of education were escalating at a rapid rate between almost 16 per cent in 1966 and over 20 per cent in 1968.

In 1969, in spite of additional costs associated with the creation of the new county and district boards, the rates of increase declined considerably. At the elementary level, the rate of increase was seven per cent

TABLE 12

ENROLMENT CHANGES BEFORE AND AFTER CREATION OF
COUNTY AND DISTRICT SCHOOL BOARDS IN 1969

<u>Year</u>	<u>Enrolment in Elementary Schools</u>	<u>Percentage Increase Over Preceding Year</u>	<u>Enrolment in Secondary Schools</u>	<u>Percentage Increase Over Preceding Year</u>	<u>Total Enrolment Elementary and Secondary</u>	<u>Percentage Increase Over Preceding Year</u>
1966	1,364,871	3.4	436,026	4.1	1,800,897	3.6
1967	1,405,052	2.9	463,736	6.4	1,868,788	3.8
1968	1,430,590	1.8	500,807	8.0	1,931,397	3.4
1969	1,456,117	1.8	530,679	6.0	1,986,796	2.9
1970	1,465,488	.6	556,913	5.0	2,022,401	1.8
1971	1,456,840	-.6	574,520	3.2	2,031,360	.4
1972	1,445,101	-.8	583,013	1.5	2,028,114	-.2

less than for the previous year. Part of this decline can be attributed to a stabilization in enrolment but, nevertheless, a brake was put on the rate of increase in expenditures. At the secondary level there was a modest reduction in the rate of increase of 2.1 per cent, in spite of the fact that secondary school enrolment was still increasing at a significant rate. The overall effect was a decline in the rate of increase of five per cent.

In 1970, there was a further decline in the rate of increase in total expenditures although ceilings had not yet been established by the then Department of Education. In 1971, further substantial declines in the rates of increase were achieved. In 1972, however, there was a substantial increase at the elementary level, a slight decrease at the secondary level, and a slight increase in the total. The ceilings on expenditures in 1971 and 1972 undoubtedly helped to control expenditures. But it seems fair to conclude that, by 1971, any excessive increases in costs that may have existed earlier were eliminated and brought within reasonable limits having regard for all the factors that influenced costs. We can find no justification for the claim that the new county and district boards were responsible for inordinate increases in the rate of expenditure. On the contrary, it is our view that, if the former boards had continued in existence, the increase in expenditures would have been even greater.

There are a number of reasons why we believe that economies were realized as a result of the new units. Economies of scale helped to reduce unit costs. Consolidation of administrative bodies reduced the cost over the amounts previously required to operate many former smaller units. In spite of the claim that the new boards had too great an administrative structure, the number of equivalent full-time personnel was, in most cases, less than the number involved prior to 1969. The slower rate of increase in expenditures was achieved in 1969 and in subsequent years, in spite of the extension of senior kindergartens for rural children and the increase in the number of junior kindergarten programs in large urban areas. The assumption of full financial responsibility for classes for the retarded and the extension of a French language program in many areas are examples of new programs that were accommodated within the lower rate of increase.

The increases on a per pupil cost basis are shown in Table 13. Again, there have been substantial declines in the rate of increase since the county and district boards were established.

On the basis of the substantial data available to us, it is our view that the new units have shown their ability to reduce the rate of increase in the costs of education over their predecessors. The statistics for the province as a whole have been used in these calculations. If the data for the boards in Metropolitan Toronto and in Ottawa, London, Hamilton, and Windsor, that were not affected by the reorganization into county and district units, were extracted from the total figures, the results in favour of the county and district units would be even more impressive since the rates of increase for most of these boards were not as great as for the large city boards. We conclude, therefore, that the decision to create the county and district boards was financially justified, particularly in view of the extension of programs that they have been able to achieve within the lesser rates of increase when compared with the boards in existence prior to 1969.

Special Grants for School Boards

After school boards had established their budgets, in accordance with the provisions of the general legislative grant Regulation in 1972, the province decided to make a considerable sum of money available to boards to permit them to undertake work for which they had not budgeted. While the decision was undoubtedly well-intentioned, in that it provided employment for some people who would otherwise have been out of work, it resulted in a considerable expenditure of money in unplanned activities. If maximum advantage is to be gained and if wastage is to be avoided, it is essential that provision be made for adequate planning of programs to utilize additional money that may be made available. The province justifiably encourages boards to plan their programs and the financing of them. It seems equally desirable that the province take similar action with its programs, not only because it is desirable for it to do so, but also to avoid unplanned actions of the province being responsible for the disruption of plans that school boards have made.

TABLE 13
COMPARATIVE COST PER PUPIL AND INCREASE PER PUPIL BEFORE AND
AFTER CREATION OF COUNTY AND DISTRICT BOARDS IN 1969
(\$ Thousands)

ELEMENTARY

<u>Year</u>	<u>Elementary School Board Expenditures</u>	<u>Enrolment September 30</u>	<u>Cost Per Pupil</u>	<u>Increase in Cost Per Pupil Over Preceding Year</u>	<u>Percentage Increase Over Preceding Year</u>
1966	\$ 527,084	1,364,871	\$386.18	\$40.10	11.59
1967	618,718	1,405,052	440.35	54.17	14.03
1968	748,963	1,430,590	523.53	83.18	18.89
1969	854,029	1,456,117	586.51	62.98	12.03
1970	975,145	1,465,488	665.41	78.90	13.45
1971	1,015,785	1,456,840	697.25	31.84	4.79
1972	1,141,318	1,445,101	789.78	92.53	13.27

SECONDARY

<u>Year</u>	<u>Secondary School Board Expenditures</u>	<u>Enrolment September 30</u>	<u>Cost Per Pupil</u>	<u>Increase in Cost Per Pupil Over Preceding Year</u>	<u>Percentage Increase Over Preceding Year</u>
1966	\$351,363	436,026	\$ 805.83	\$ 87.02	12.11
1967	429,424	463,736	926.01	120.18	14.91
1968	513,417	500,807	1,025.18	99.17	10.71
1969	603,025	530,679	1,136.33	111.15	10.84
1970	685,876	556,913	1,231.57	95.24	8.38
1971	749,470	574,520	1,304.52	72.95	5.92
1972	815,142	583,013	1,398.15	93.63	7.18

Reporting to the Taxpayers

The fact of increasing expenditures for education and the conflicting claim in recent years by a few school boards and some professional groups that "school budgets have had to be cut" requires some explanation. In the development of a board's budget, it is customary to make provision for the amount of money necessary to conduct each program offered or to be offered by the board. The cumulative total of these amounts provides a first draft of the budget. This draft invariably shows a level of expenditure that no one seriously expects to be adopted for implementation in its entirety. After some consideration and amendments by the appropriate committees of the board, revised drafts are developed. Since 1971, the proposed expenditures by almost every board in Ontario have been in excess of the previous year's expenditure, some by considerably greater amounts. The limitations on board expenditures imposed by the general legislative grant Regulation have required some boards to reduce the amount of their proposed budgets. But, for every board, the resulting expenditures in any year have been in excess of the expenditures for the previous year. Consequently, the public should understand and, in our view, the board has an obligation to point out that its expenditures have increased over the amount expended in the previous year. Certainly no board should endeavour to win public support for increased expenditures over the previous year by claiming that it has had to "cut costs", when the reduction is from a draft budget that may or may not represent a defensible level of expenditure.

In this connection, it is our view that most school boards and the Ministry of Education do not provide adequate information to the public about expenditures on education. No board should consider it has fulfilled its obligation in this area by issuing a statement showing the amount and proportion of its expenditures devoted to a few broad categories such as instructional salaries, operating and maintenance, administration, etc. Far more information about programs and their costs should be made available to all taxpayers. For example, the nature and extent of the program in French for English-speaking children and the cost of providing it ought to be made known. Similar information for all other programs should also be publicized. The proposed budget for the next year, with actual and

budgeted figures of the two immediately preceding years, should be provided so that comparisons are possible. Other relevant information, such as enrolment, number of schools, number of teachers, teacher:pupil ratios, etc., should be made available. It may be argued that it is difficult and perhaps even costly to communicate this information in an understandable form to the taxpayers. It is our view that the lack of understanding on the part of the public has such a serious negative impact on the educational system that no difficulty should be allowed to stand in the way of providing the information essential to a full appreciation of the board's activities and associated financial commitments.

It is also our view that the Ministry of Education has a broader responsibility to ensure that financial data for all school boards in the province are provided for the information of the taxpayers. In this way, the Ministry could fulfill its obligation to be accountable, at least in part, for the 60 per cent of the total cost of education that it provides from the taxes the government collects. By this means it might avoid some of its direct involvement in the affairs of school boards and might ensure a greater degree of accountability to local taxpayers by school boards. For example, the comparative data that the Ministry might provide for all school boards would permit the individual taxpayer to ask questions and seek explanations from his trustees where costs in his area seem to him to be excessive.

In any case, the provision in mid-1973 of two pages of financial data in the annual report¹⁵ of the Minister of Education for 1972, covering an expenditure of approximately \$1,860,736,000 in 1971, can hardly be considered adequate in either extent or time. While other information about enrolments, number of teachers, schools and teaching areas, courses, transportation, school building, grants and the like is provided, there are no useful comparisons and analyses to assist the layman in his interpretation of the material that is available. No financial data by board is included in the Minister's Report. Since the number of boards was reduced in 1969, it should be possible to provide this information without difficulty. In any case, for an enterprise with expenditures of public money now exceed-

¹⁵Report of the Minister of Education 1972, pp. 102-103.

ing \$2 billion a year, the annual report of the Minister of Education does not constitute even a good token attempt to inform the taxpayers of the way in which their money is expended.

Expenditures for Education in Future

The data provided earlier in this report indicate the magnitude of the increases in total expenditure on education in the province and in the expenditure per pupil by type of school board. Every school board has increased its total expenditures each year in spite of the fact that the total enrolment in elementary schools has been declining since 1970. It does not surprise us that the increase in the per pupil cost at the elementary level has to the present more than compensated for any economy that may have been realized because of declining enrolments. In the next five years, however, when the reduction in total enrolment at the elementary level reaches substantial proportions, it should be possible to decelerate the rate of increase in the total annual expenditures even though the per pupil cost will continue to rise. This possibility will also apply at the secondary level after 1977 and, with the higher cost per pupil at this level, the deceleration in the rate of increase in total expenditure should be correspondingly greater.

Whether it will ultimately be possible in any year to balance the increase in the cost per pupil by economies achieved through reduced enrolments and thus stabilize the amount of the total expenditures is most difficult to determine. The number of variables represented by inflation, salaries, taxation levels by all governments, developments in the economy, and demand for additional educational services make prediction of expenditure levels for education a most unscientific exercise. Our impression is that the total expenditures for education will continue to rise regardless of any decline in enrolments.

But there are positive aspects in so far as the levels of taxation necessary to meet the costs of education in the future are concerned. It is anticipated that the economy of the province will continue to expand so that there will be additional taxable assessment to share the cost of education at the municipal level. Growth in the gross provincial product

will generate additional revenues so that the proportion of the total provincial budget devoted to education should decline. Since fewer school buildings will have to be provided, there will be a net reduction in the annual repayments for school construction as outstanding debentures are paid off. These possibilities give promise that the burden of educational costs at the elementary and secondary school levels will be alleviated to some extent in the period to 1981.

But there is also the need to recognize that there must be further changes and improvements in education. In our other studies we have expanded on some of the future needs that we have identified. It would be misleading and wholly unrealistic to suggest that these improvements can be realized by a reordering of present priorities within the expenditures now being made on education. It would also be a distortion to conclude that the cost of future changes in education will require the full cost to be added to the present bill. At the same time, it is inevitable that the financing of education will require new and creative approaches if many of the existing inadequacies and inequities are to be removed or at least minimized. We have endeavoured in this study to analyse some of the major problems and to suggest new directions that we believe will overcome many of the difficulties inherent in present practices. It is to these areas that we now turn.

CHAPTER 3

ASSESSMENT

The assessment of real property is the basis for the local tax system. It is the means by which the cost of services, municipal and educational, are apportioned among the taxpayers within a municipality. When local assessment is equalized for all municipalities within the province, it determines the proportion of the costs to be borne by each municipality for services, such as education, shared by a number of municipalities. Equalized assessment also plays an important part in determination of the rate of grant applicable to a school board's expenditures recognized for grant purposes by the province. The rate of grant, of course, determines to a large extent the amount of grants a board will receive. Assessment is also used as one of the factors in the determination of the amount of payments in lieu of taxes made by governments and their agencies. The magnitude of the amounts of money realized from taxation on real property is so great that it is of major significance in the support of local services and in the relative tax responsibility between the provincial and municipal authorities. The historical background of assessment in Ontario is described in some detail in a document issued by the former Department of Municipal Affairs.¹

Local Assessment

Until 1969, provision for determination of the assessed value of property was a responsibility of each municipal council which had authority to appoint its own assessor under the provisions of The Assessment Act. For years, the practices employed by these assessors have distorted the amount of taxes that should have been paid by individuals and classes of taxpayers and have perpetuated unfairness and inequity in the allocation of the tax burden. Among the inadequacies and deficiencies have been under-assessment of property in terms of real value, use of outmoded and outdated assessment criteria, lack of uniformity in assessment of similar-type properties within the same municipality, assessment of certain types of property at a

¹Property Taxation in Ontario: History, Theory and Administration, (Mimeographed), Assessment Education Branch, Ontario Department of Municipal Affairs, Toronto, 1971, pp. 1-17.

higher percentage of real value than other classifications, and lack of consistency in application of assessment criteria from municipality to municipality. Responsibility for these conditions must be borne in considerable part by the provincial authorities who provided, for use by local assessors, cost data that had little or no relevance to current values and who ignored the obvious violation by local authorities of requirements of The Assessment Act. At the same time, many untrained and unqualified local assessment officials with at least the acquiescence, if not the actual endorsement, of elected representatives in some municipalities made their contribution to the development of a situation that was ultimately to become intolerable. The indictment of the assessment system is well documented in the report² of The Ontario Committee on Taxation.

Assessment Categories

Real properties may be broadly categorized as residential and farm, business and commercial, and industrial. These terms are more precisely defined in legislation³ or in by-laws dealing with official plans of municipalities.

Residential and Farm Assessment

Under the provisions of The Assessment Act, the assessment commissioner is required to prepare an assessment roll for each municipality and to include certain information as prescribed in the Act. Among the items to be included are the number of acres of land, market value of the parcel of land, residential assessment, and farm assessment. The market value of assessed land is the amount that the land might be expected to realize if sold in the open market by a willing seller to a willing buyer. In ascertaining the market value of farm lands used only for farm purposes, including the farm residence, The Assessment Act requires that consideration be given to the market value of such lands and buildings for farming purposes

²The Ontario Committee on Taxation, Volume II, Queen's Printer, Toronto, 1967, pp. 203-261.

³The Assessment Act, R.S.O., 1970, Chapter 32.

only, and in determining such market value consideration is not to be given to sales of lands and buildings to persons whose principal occupation is other than farming.

Business Assessment

In addition to the assessment on real property at market value, every person who occupies or uses such property for business purposes is subject to a business assessment.⁴ The amount of business assessment, as set out in the Act, is a prescribed percentage of assessed value of the property in which the business is conducted. The percentage varies by type of business from 140 per cent for distillers to 25 per cent for a person operating a car park. Other business facilities, such as telephone poles and wires, that do not lend themselves to classification in the generally applicable business categories, have special provisions for assessment applied to them. Because The Assessment Act makes imposition of the business assessment mandatory in all municipalities and because it defines the percentages to be applied to real property assessed values, the business assessment percentages are the same throughout the province. Since business assessment is based on a percentage of the assessed value of the land occupied or used for the business, any inequities or deficiencies in assessment of the property are automatically extended to the business assessment. Certain business activities such as the operation of a rooming house, apartment house, farm, market garden, nursery, apiary, or the raising of animals for the production of fur are not liable to business assessment in respect of the real property in which the businesses are conducted.

Commercial and Industrial Assessment

Business enterprises engaged in the manufacture of products or in their distribution are shown separately on the assessment roll.

⁴Ibid, Section 7 to Section 9 inclusive.

Exempt Properties

The Assessment Act states that all real property is liable to assessment and taxation but, under the Act, certain properties are specifically exempt from taxation.⁵ Among the exemptions for tax purposes are lands or property belonging to Canada or any province; the buildings and grounds of universities, colleges and schools; public hospitals; every place of worship and land used in connection therewith; and every churchyard, cemetery or burying ground. Provision exists under The Assessment Act and other legislation for a multiplicity of other exemptions, partial exemptions, and, under certain circumstances, fixed assessments.⁶ The number and extent of these special arrangements are not commonly known by the individual citizen, nor is he aware of the impact on the amount of his taxes that results from the extent of "the free list". The Ontario Committee on Taxation examined this matter in considerable detail and listed arguments against tax exemptions as follows:

- "(1) Exemptions narrow the tax base, thereby increasing the tax load on owners of taxable property.
- (2) A tax exemption is an indirect subsidy, the cost of which is not generally apparent, and is subject to less control than a grant, which ordinarily is renewable annually.
- (3) Tax exemption may not distribute a government subsidy in the most equitable or desirable manner.
- (4) The proportion of all properties in the community that are exempt varies from one municipality to another, thereby creating disproportionate burdens among local communities.
- (5) Exemptions are for the most part legislated by the Province but their burden falls on municipalities and local school boards.
- (6) Exemptions, once established, are not readily terminated. Thus, they tend to perpetuate community wishes of an earlier day. In addition, the range and extent of exemptions can grow well beyond justifiable limits."⁷

⁵Ibid, Section 3.

⁶Ibid, Section 80.

⁷The Ontario Committee on Taxation, Volume II, p. 125.

Although the Ontario Committee on Taxation did propose the removal of many exemptions and, in the case of certain properties, payment in lieu of taxes that would otherwise be imposed, it did not advocate the elimination of all exemptions. The Committee's Report recommended a basic shelter exemption for residential property holders, the exemption of farm properties from the business occupancy tax, and the exemption of transportation and communication enterprises from taxation upon their rights-of-way and similar lands. It also suggested that a much narrower range of provincial, federal, and local government properties should continue to receive exempt status, and that most government properties should either be taxed or required to make payments in lieu of taxes.

The province later accepted the Committee's recommendations in principle. "The government recognizes the desirability of broadening the property tax base by removing present exemptions and partial exemptions."⁸ The province introduced a Residential Property Tax Reduction and increased its grants to universities to permit the universities to make an annual payment to municipalities. In 1970, universities could be required to pay a sum not exceeding \$25 per year for each full-time student. In 1971, the province permitted municipalities to treat Colleges of Applied Arts and Technology in the same manner. Also in 1971, where the number of full-time students enrolled in universities in a municipality exceeded five per cent of the municipality's total population, the amount was increased to \$35. In 1973, the maximum tax was increased to \$50 for each full-time student enrolled in the year preceding the year of levy. In 1970 and 1971, legislation was introduced to remove the existing exemptions on mineral processing facilities and provincial parks. In the latter case, the amount of taxes that may be charged is the greater of \$100 or \$5 per acre for the first 100 acres plus \$2 per acre for each acre in excess of 100 acres to a maximum of 10,000 acres. In 1972, the Residential Property Tax Reduction was replaced by the Property Tax Credit Plan.

In spite of these modifications, numerous types of property still remain partially or totally exempt from property taxes. The major classes of

⁸ Ontario Economic Review, May/June, 1969, Vol. 7, No. 3, "The Reform of Taxation and Government Structure in Ontario", p. 7.

these exempt properties are:

1. Private properties: e.g. churches, Y.M.C.A's
2. Institutional properties: e.g. schools, hospitals
3. Government properties: federal, provincial, municipal

Certain municipalities in Ontario are particularly affected by the amount of exempt or partially exempt property within their boundaries. For example, the City of Kingston has federal penal institutions, provincial health institutions, a university, a College of Applied Arts and Technology, etc., which means that its ratio of exempt or partially exempt property to total assessment is relatively high.

Payments in lieu of taxes are often made to municipalities as partial compensation for property taxes that would have been collected if the properties were not exempt. However, the revenue received from these payments is often much less than would have been received if the properties had been subject to normal property taxes. This is demonstrated by the much lower percentage of revenue received in 1970 as tax on exempt properties as shown below⁹:

	Actual Assessment \$MM	Related Revenue \$MM	Revenue as Per Cent of Assessment
Total taxable assessment	\$20,858	\$1,459	7.0
Total exempt assessment	4,220	60	1.4

The monies derived from payments in lieu of taxes for previously exempt or partially exempt properties have had little direct effect on the financial resources available to school boards. For the most part, payments made in lieu of property taxes are channelled directly into the provision of general municipal services under the control of the municipal councils. At present, the method of financing education ignores the value of exempt property both when calculating provincial grants and when allocating the school board levy among its supporting municipalities. An exception is the provision for payment in lieu of taxes in respect of a

⁹ 1970 Summary of Financial Reports of Municipalities, Volume 1, Queen's Printer and Publisher, Toronto, 1972, pp. xxvi-xxix.

municipality as provided in The Housing Development Act and The Power Corporation Act.¹⁰ In addition, provision is made for recognition of equivalent assessment as provided in The Municipal Act.¹¹ In any case, the school board levy is not allocated among its municipalities on the basis of their relative "wealths" based on the value of all properties within their respective boundaries.

If exempt properties were included for taxation for educational purposes, the equalized assessment per weighted pupil would be increased for most boards. This would result in changes in the rates of grant applicable to each board and, therefore, in the amount of grants for each board. Each board's total local levy and the sharing ratios for apportionment of its levy among the municipalities within its jurisdiction would also be affected.

The ratio of each board's equalized assessment per weighted pupil to the equalized assessment per weighted pupil for a board of average "wealth" determines the rates of grant applicable to each board. In 1974, the equalized assessment per weighted pupil for a board of average wealth is \$54,600 at the elementary level and \$125,400 at the secondary level. The effect on a board's rates of grant, as a result of inclusion of assessment at present exempt from taxation, would depend on the percentage increase in the provincial equalized assessment per weighted pupil for a board of average wealth. If the percentage increase in a school board's equalized assessment per weighted pupil were greater than the percentage increase for a board of average wealth, the board's rates of grant would decrease. If the percentage increase for a board were less, then the rate of grant would increase. Under existing provisions it would, therefore, be necessary to determine for each school board the effect on the grant rates of inclusion of properties now exempt from taxation for educational purposes. The impact of changes in grant rates on the amount of grants a board would receive is obvious.

Changes in the amount of grants received by a school board would alter

¹⁰Regulation - General Legislative Grants 1974, Section 1, Para. 20, p.3.

¹¹Ibid, Section 1, Paragraphs 18 and 19, p. 3.

the residual amount of its total net expenditure to be raised by local taxation. Changes in equalized assessment would affect the proportion of a board's local levy to be raised by each of the municipalities within the board's jurisdiction. This in turn would result in a redistribution in the amount of the local levy to be raised by each property in a municipality. The impact of alteration of the sharing ratios among three municipalities in the same school board jurisdiction as a result of taxation of previously exempt properties is illustrated by the data in Table 14.

For the province as a whole, an analysis of the assessment taken in 1969 for taxation in 1970 shows that the amount of local assessment in Ontario exempt from taxation totalled \$4,219,609,180.¹² The relationship of this amount to other categories of assessment is shown in Table 15. The local assessment for school purposes used for taxes in 1970 was \$20,854,172,521 (Table 16). This amount is \$13,977,587 in excess of the local assessment of \$20,840,194,934 taken in 1969 for taxation in 1970. The difference can be attributed in large part to supplementary assessment in 1970 not included in the assessment roll in 1969. The total exempt assessment of \$4,219,609,180 is 20 per cent of the total assessment for school purposes.

In 1970, the amount of property taxes raised for the support of elementary and secondary education was \$816,361,764 on a local assessment for school purposes of \$20,854,172,521. While the different bases used for the determination of local assessment in relation to market value among municipalities are recognized, if the total amount of local taxes and total local assessment for the province as a whole were used, the rate would be 39.15 mills. If exempt assessment of \$4,219,609,180 had been included for taxation, the total assessment would have been \$25,073,781,701. At the rate of 39.15 mills, the additional assessment would have raised another \$165,197,699 in taxes for school purposes. Alternatively, the actual taxes of \$816,361,764 could have been raised on a rate of 32.52 mills. A reduction of 6.63 mills would, therefore, have been possible. It is, of course, realized that variations in these figures would occur depending on the proportion of the exempt assessment included in the

¹²1970 Summary of Financial Reports of Municipalities, p. xxvi.

TABLE 14

EFFECT ON SHARING RATIOS OF SCHOOL BOARD
LEVY AMONG MUNICIPALITIES BY INCLUSION OF
EXEMPT PROPERTY ASSESSMENT IN TAX BASE

	<u>School Board</u>		
	<u>Equalized Assessments</u>		
	<u>Not Exempt</u> <u>\$MM</u>	<u>Exempt</u> <u>\$MM</u>	<u>Total</u> <u>\$MM</u>
Municipality A	6	3	9
Municipality B	6	2	8
Municipality C	3	1	4
	<u>15</u>	<u>6</u>	<u>21</u>

	<u>Sharing Ratios of School Board Levy</u>	
	<u>Before Inclusion</u> <u>of</u> <u>Exempt Property</u>	<u>After Inclusion</u> <u>of</u> <u>Exempt Property</u>
Municipality A	40%	43%
Municipality B	40%	38%
Municipality C	20%	19%
	<u>100%</u>	<u>100%</u>

TABLE 15
ANALYSIS OF ASSESSMENT TAKEN IN 1969
FOR 1970, AS PER THE RETURN OF ASSESSMENT

Residential and Farm	\$13,026,081,690
Commercial and Industrial	5,771,526,850
Business	2,042,586,394
Sub-total	\$20,840,194,934 ^a
Exempt	4,219,609,180
Total	<u>\$25,059,804,114</u>

Source: 1970 Summary of Financial Reports of Municipalities, Volume I, Queen's Printer and Publisher, Toronto, 1972, p. xxvi.

TABLE 16
ASSESSMENT USED FOR 1970 TAXES FOR SCHOOL PURPOSES

Public School Support	\$18,217,502,268
Separate School Support	2,636,670,253
Sub-total	\$20,854,172,521 ^a
Other (where no school assessment in 1970)	3,750,655
Total	<u>\$20,857,923,176</u>

Source: 1970 Summary of Financial Reports of Municipalities, Volume I, Queen's Printer and Publisher, Toronto, 1972, p. xxvi.

Note: ^a The difference between \$20,854,172,521 in Table 16 and \$20,840,194,934 in Table 15, or \$13,977,587, may be attributed in large part to supplementary assessment in 1970 after the original submission of the assessment roll in 1969.

categories of residential and farm, business, and commercial and industrial assessment.

In summary, assessment exempt from taxation, partial exemptions, fixed assessment, and payments in lieu of taxes have important consequences for the financing of education. Part of the cost that would otherwise be borne by these properties is shifted to the tax-paying property owners. The relative "wealth" of municipalities as measured by property assessment is distorted, resulting in disproportionate allocations of the school board levy. The rate of grant and the amount of grant payable by the province to a school board on the basis of equalized assessment per weighted pupil is affected and, as a result, the amount of the taxes to be raised at the local level through the school board requisition is altered. These consequences are attributable to provincial statutes and regulations with the effects felt by municipalities and school boards. It is our view that in the interests of fairness, simplicity, and understanding by the general public, the provincial government ought to act now to erase the inequities and distortions in educational finance at the local level that arise from legislation regarding assessment exempt from taxation. Elsewhere in this report we have made a recommendation for the establishment of mill rates for the financing of education at the local level that would go a long way towards achieving this objective. The recommendation is designed to minimize the negative effect on school boards and municipalities of assessment exempt from taxation for educational purposes.

Equalized Assessment

The local assessment determined by each municipality has been the basis for the allocation of costs for municipal services and education among the properties within the municipality. When the cost of a service provided by a municipality is borne wholly by the same municipality, the impact of the inadequacies and inconsistencies of local assessment procedures may not be too great. At least the result of any deficiencies that may exist is felt only by those who had the opportunity to elect municipal representatives who were responsible for the assessment practices in their municipality. But when assessment is used to apportion

the costs of shared services among municipalities or when it is the basis for the payment of provincial grants for those services, it is obvious that, if the assessment determined by each municipality at a different percentage of market value were used, the results would be grossly inequitable and unfair. Even if each municipal authority has assessed its property in an equitable manner, in so far as individual properties within the municipality are concerned, there is still the necessity to try to achieve a similar relationship among the assessment results for all municipalities. Only if such a provision exists can local costs be apportioned fairly and provincial grants be distributed equitably.

If municipalities or school boards were left to their own devices, they could not be expected to arrive at an objective basis for the equitable distribution of costs among the constituent municipalities, although at one time considerable legislation existed for such determination. Nor could they be left to determine the rate of grant on approved expenditures that they would receive from the province. Under such arrangements, municipalities that share services, such as education, with other municipalities would be encouraged to assess at a low proportion of market value to minimize the amount of their share to be raised by local taxation. All municipalities in a school board jurisdiction might follow this practice with the expectation that the board would receive a higher rate of grant because of their limited "wealth". There are even suggestions that existing assessments in some municipalities had their origins in this reasoning. Consequently, it has been necessary to try to equate the assessment among municipalities to overcome this problem.

The need to equalize assessment among municipalities arose many years ago when counties began to provide services, the cost of which had to be borne by a number of municipalities within a county organization. At one time provision was made for county equalization factors to apportion the costs among the constituent municipal councils. In the early days when education was provided by school boards within a municipality or by a board having a boundary coterminous with the municipal boundary, there was no problem in allocation of the cost of education to be borne locally. Minor problems arose in the case of union school sections made up of parts of two or more municipalities, but these were easily resolved. But when

several municipalities in more than one county were included in the jurisdiction of a high school board, the problem of apportionment of costs became considerably more complex. The equitable distribution of legislative grants among school boards has been a long-standing problem.

Ultimately, the province assumed responsibility for the development of an equalizing formula that, when applied to the local assessment of each municipality, was intended to put municipalities in the same relationship, one to the other, in terms of value for taxation purposes regardless of their location in the province. The result of the application of the formula is known as "equalized assessment".

Assessment Equalization Factors

Equalized assessment provides the means for allocating among municipalities within a school board jurisdiction the proportion of the board's annual total requisition to be borne by local taxpayers in each municipality. It also determines to a considerable extent the rate of legislative grant that is applicable on approved expenditures by the board for grant purposes. Therefore, the relationship between local municipal assessment and equalized assessment and the means by which the calculation of the equalized assessment is made are of considerable importance. The process by which local assessment is transformed into equalized assessment involves the application of "equalization factors".

For a considerable period, the equalization factor for each municipality was computed annually by the Department of Municipal Affairs in accordance with the provisions of The Assessment Act.¹³ Since 1965, an important consideration in the development of the equalization factors has been a sampling of the relationship between the assessments of properties sold and their sale prices, with some provision for use of cost data if the number of sales was inadequate. The equalization includes land values. The application of the equalization factors can be illustrated by an example. If a municipality has a total local assessment of \$10 million and if it measures its assessment at 25 per cent of true market value, the assess-

¹³The Assessment Act, Section 71.

ment equalization factor is 25. The equalized assessment would, therefore, be \$40 million. The calculation is as follows:

Total local assessment of municipality	\$10,000,000
Equalized assessment factor	25
Equalized assessment =	$\frac{\$10,000,000 \times 100}{25} = \$40,000,000$

The equalized assessment is intended to achieve the objective of establishing an equitable relationship between the assessment of any one municipality and the other municipalities in the province. There are, however, certain weaknesses in the application of the assessment equalization factors that prevent the attainment of this goal. First the assessment equalization factor sometimes ignores alternative land uses. For example, a brief submitted to the Committee by the Municipality of the Township of Ennismore showed that in 1969 a vacant lake lot was assessed locally at \$100. Application of the equalization factor of 17 resulted in an equalized assessment of \$588. When the property was reassessed at market value for taxation in 1970, the equalized assessment became \$6,700, or 1,039.5 per cent greater than it was one year previously (Table 17). In the case of a vacant lot not beside a lake, the difference was 94.4 per cent. The table shows that before 1970 vacant lake lots and other vacant lots were seriously under-valued in relation to market value. Obviously, the equalization factor for these properties in 1969 did not come anywhere near achieving its intended purpose. As a result, the owners of property designated farm, residence on lake lot, and residence on lot, were paying a disproportionate amount of local taxes prior to 1970 and the municipality was paying a smaller share of the school board's requisition than assessment at market value would have justified. But the shift in the amount of taxes for vacant lake lots and other vacant lots is bound to be resented by the owners of these properties, while assumption by the municipality of a greater proportion of the education requisition is likely to be resisted by all property owners. Another real difficulty, of course, is that in an endeavour to achieve a more equitable distribution of costs through reassessment at market value, municipalities, such as the Township of Ennismore, are at a considerable disadvantage. The persistence in other municipalities within a school board jurisdiction and across the province of outmoded assessment practices may result in

TABLE 17

TOWNSHIP OF ENNISMORE
RELATIONSHIP BETWEEN EQUALIZED ASSESSMENT IN 1969
AND EQUALIZED ASSESSMENT BASED ON MARKET VALUE IN 1970

<u>Class of Property</u>	<u>Municipal Assessment 1969</u>	<u>Equalization Factor 1969</u>	<u>Equalized Assessment 1969</u>	<u>Market Value Municipal Assessment 1970</u>	<u>Per Cent Difference</u>
Farm	\$5,800	17	\$34,115	\$33,550	-0.17
Vacant lake lot	100	17	588	6,700	+1,039.50
Residence on lake lot	2,600	17	15,293	19,000	+24.20
Vacant lot	175	17	1,029	2,000	+94.40
Residence on lot	5,100	17	29,998	29,050	-0.30

Source: Brief submitted by Township of Ennismore, October 18, 1972.

a reassessed municipality incurring certain penalties. For example, the reassessed municipality may receive an increase in its allocation of the cost of education that is greater than if all municipalities were reassessed. It may also be that the rate of grant applicable to the board's expenditures will be reduced because of the new assessment.

For the Township of Ennismore as a whole, the local assessment in 1969 was \$2,443,715 to which an equalization factor of 17 was applied to give an equalized assessment of \$14,374,794. When reassessment at market value in 1969 was introduced for taxation in 1970, the local assessment was \$20,055,140. The equalization factor was set at 98 so that the equalized assessment was \$20,464,429. The data are shown as follows:

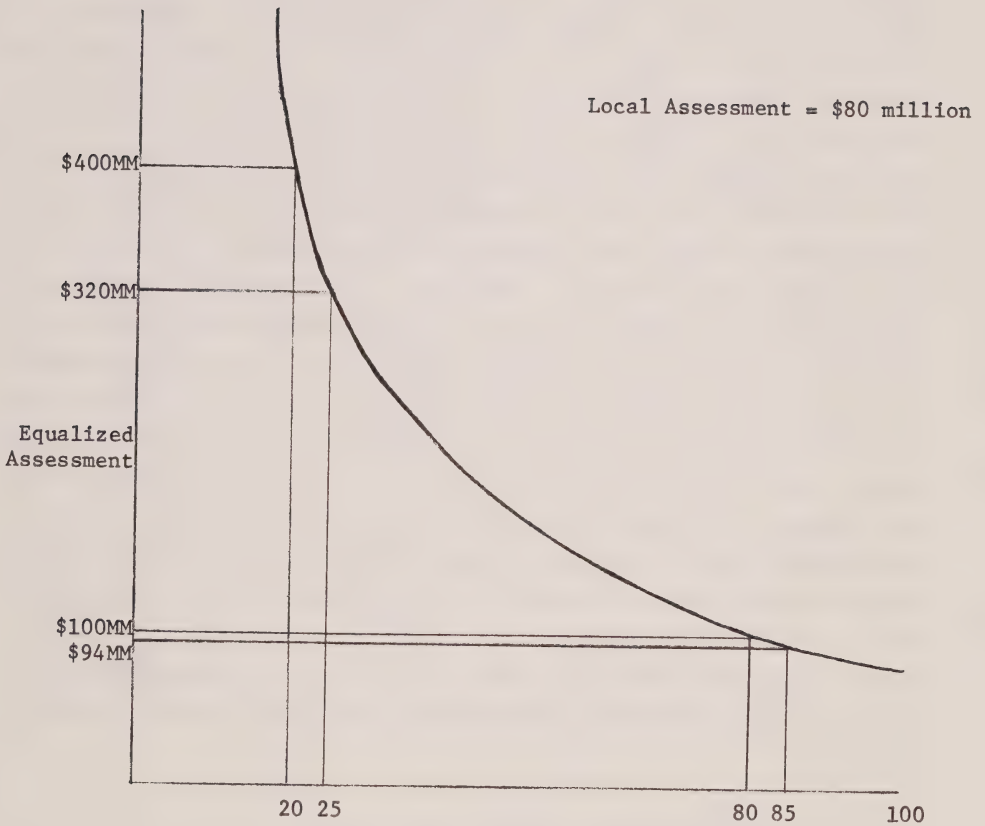
<u>Township of Ennismore</u>			
	<u>Local Assessment</u>	<u>Equalization Factor</u>	<u>Equalized Assessment</u>
1970	\$20,055,140	98	\$20,464,429
1969	2,443,715	17	14,374,794
		Difference	<u>\$ 6,089,635</u>

Source: Summary of Financial Reports of Municipalities, Volume I, 1969 and 1970, p. 151.

A second difficulty with the practice of applying an equalization factor to local assessment to calculate an equalized assessment is that if a change is necessary in the equalization factor, a small increase in a small factor may lead to a large decrease in equalized assessment. When the factor is large, a similar increase in the factor results in a much smaller decrease in equalized assessment. The principle is shown in the example in Graph 6. When the local assessment of the municipality is \$80 million and the assessment equalization factor is 20, the equalized assessment is \$400 million. An increase of 5 in the assessment equalization factor to 25 results in a reduction in the equalized assessment from \$400 million to \$320 million, a difference of \$80 million. But when the assessment equalization factor is 80, the equalized assessment is \$100 million.

GRAPH 6

RELATIONSHIP BETWEEN EQUALIZATION ASSESSMENT
FACTORS AND EQUALIZED ASSESSMENT



If a similar increase of 5 in the equalization factor is used so that the factor becomes 85, the resulting equalized assessment is \$94 million +, or a reduction of only \$6 million in the equalized assessment. Consequently, for the same increase of five in the equalization factor, there is a difference in the decrease in the equalized assessment of \$74 million. While the difference in the amount of the decrease is understandable, the impact on local mill rates is likely to be much greater in the first case when compared with the second calculation.

Changes in equalization factors may have significant effects on municipal sharing ratios. An example of differences in sharing ratios resulting from a change in the assessment equalization factor is illustrated in Table 18. In this example, three municipalities in a school jurisdiction share the board's levy allocation or requisition in the ratios shown in the lower part of Column 3. When the equalization factor in Municipality A is changed from 25 to 20, it results in a different equalized assessment for Municipality A and a revised total equalized assessment for the three municipalities. The resulting new levy allocation ratios are shown in the lower part of Column 4. Similarly, if the equalization factor for Municipality C is changed from 80 to 75, the equalized assessment for Municipality C is altered and there is a new total equalized assessment for the three municipalities. Again, the levy allocation ratios change as shown in the lower part of Column 5. The change of five in the equalization factor for Municipality A results in a much greater adjustment in the sharing ratios than is caused by the same degree of change in the equalization factor for Municipality B. Consequently, when reassessment takes place to adjust to market value, the changes in the relationships among the equalized assessments may result in quite different sharing ratios among municipalities. When this happens, it is inevitable that there will be substantial fluctuations in mill rates for the support of education.

Determination of Assessment Equalization Factors

The method by which assessment equalization factors are determined is of major importance to the taxpayer. The equalized assessment that results from application of the factors to local assessment is used by the prov-

TABLE 18

EFFECT OF EQUALIZATION FACTOR SIZE ON ALLOCATION OF EDUCATION LEVY

	Total Local Assessment \$MM (Col.1)	Equalization Assessment Factor (Col.2)	Equalized Assessment \$MM (Col.3)	Equalized Assessment if Equalization Assessment Factor for Municipality A is Changed to 20 \$MM (Col.4)	Equalized Assessment if Equalization Assessment Factor for Municipality C is Changed to 75 \$MM (Col.5)
Municipality A	1	25	4	5	4
Municipality B	1	20	5	5	5
Municipality C	4	80	5	5	5 1/3
			14	15	14 1/3
Levy Allocation Ratios (Per Cent)					
Municipality A			28.6	33.3	27.9
Municipality B			35.7	33.3	34.9
Municipality C			35.7	33.4	37.2
			100.0	100.0	100.0

ince in the calculation of "wealth" per weighted pupil to determine the rate of grant to a school board on approved operating costs. The rate of grant determines not only the amount of the grant but, as a result, the residual amount of the school board's total estimates to be raised locally. The school board uses equalized assessment as the basis for its allocation of the education levy among the municipalities within its jurisdiction. The intended purposes in the use of assessment equalization factors and equalized assessment are, of course, to achieve a fair and equitable distribution of legislative grants and the local tax levy. While they do reduce the inequities and disparities that would exist if only local assessments were used, they fall far short of their intended objective.

The complicated procedure for determination of the equalization factors is shown in Appendix A. While it is not our intention to make a detailed analysis of the computations involved, an example will illustrate the inadequacies of the methods used. If, in a municipality with considerable frontage on an attractive lake, a number of cottage properties change hands during the year at escalating sale prices, these sales are used as an important element in the calculation of the equalization factor. The rest of the property remote from the lake but in the same municipality may not change hands and may not be increasing in value at all, or at least not nearly to the same extent as the lakefront property. But the new equalization factor may raise the total equalized assessment for the municipality and, depending on changes in equalization factors in other municipalities, may result in a lower rate of grant on approved expenditure by the school board and conceivably less grant for education purposes. The deficiency must then be made up through increased taxes on all the property in the municipality, including property remote from the lakefront. The example is realistic since it describes a situation that has developed with considerable impact in a number of municipalities in the "cottage country" of Ontario.

The total procedure for the calculation of the equalization factors makes inevitable the unsatisfactory results that we have observed. Its main virtue for the taxing authorities is that it is incomprehensible to almost all ratepayers and, as a result, does not often encourage them to question

the amounts or the fairness of the apportionment of local property taxes among them. But no amount of mathematical juggling can obscure from the knowledgeable analyst the fact that, while the equalization factors are intended to achieve equity of taxation among ratepayers, the most that they do is to reduce the degree of inequity resulting from the procedures for the determination of local assessment. In practice, due in large part to the inadequacy of the means for computing the equalization factors, past inequities are perpetuated or compounded, while the illusion of equity is created without in fact being achieved. The real question of too high a tax bill for the payment of a disproportionate share of the tax levy by the individual taxpayer rarely gets asked and, for most citizens, seldom gets answered.

Assessment Equalization and the New County and District Boards

The problems created by the poor assessment practices of the past and the inadequacy of the provincial equalization factors were illustrated with considerable force when the new county and district school boards were established on January 1, 1969. When several municipalities were included in the jurisdiction of one school board, it became necessary to allocate among them the educational costs to be borne locally. The result was that the amount of the costs to be paid by certain municipalities was in excess of the amount they had formerly paid while for other municipalities the amount was less. In municipalities where the amounts were larger, the dissatisfaction of taxpayers was directed at the new county and district school boards, whereas little was heard from those municipalities where the amounts were reduced. In fact, on an overall provincial basis, the actual rate of increase in the costs of operation of the new boards in 1969 and after was less than it was in 1968 under the former jurisdictions. The rate of increase is now considerably less than it was in the years immediately preceding 1969.

The real sources of the problem in 1969 and 1970 were not the amounts of any increase in expenditures for education in those years over former years but in the revised apportionment of the costs among municipalities. In those municipalities where substantial increases occurred as a result of reapportionment, it was evident that at least some of them had not

been paying a fair share of the cost in previous years. To compensate for the long-standing inadequacy of the assessment procedures practised by municipalities and the inadequate equalization methods used by the province would have required infusion of substantially greater amounts of money through additional legislative grants. The amounts provided were inadequate to achieve this objective but to blame the result on rising educational costs is a clear case of mistaken identity.

Equalization Factors Determined by the Ministry of Education

The Department of Education took certain steps to alleviate the extent of the rise in local mill rates in those municipalities where there was an increase in the proportion of the cost of education as a result of assessment and equalization procedures. Under the legislation¹⁴ in effect prior to 1972, the equalization factor provided for each municipality by the Department of Municipal Affairs had to be used to calculate the apportionment of educational costs among municipalities in the school jurisdiction. To control the impact of fluctuations in assessment and equalization factors, an amendment¹⁵ to The Secondary Schools and Boards of Education Act gave the Ministry authority to make regulations for the apportionment of the sums required by a divisional board among the municipalities in the school division.

In 1972, by amendments to The Ministry of Education Act¹⁶ and The Secondary Schools and Boards of Education Act,¹⁷ the Minister was given authority to provide an assessment equalization factor that, in effect, replaced the assessment equalization factor provided formerly by the Department of Municipal Affairs. Beginning in 1972, the Ministry of Education issued its own set of assessment equalization factors as Schedule B of the grant

¹⁴The Secondary Schools and Boards of Education Act, R.S.O., 1970, Chapter 425, Section 32, Subsection (1).

¹⁵Ibid, Section 33.

¹⁶The Ministry of Education Amendment Act, 1972, Section 3, Subsection (3) (o)

¹⁷The Secondary Schools and Boards of Education Act, 1972, Sections 7, 8, and 9.

Regulation. These factors are for use in the calculation of the grant and in the apportionment of requisitions among municipalities in a school board jurisdiction. Apparently, the Ministry of Education takes the equalization factors issued by the Ministry of Revenue and arbitrarily alters them to avoid serious adjustment in the allocation of a school board's requisition among municipalities within the jurisdiction of the board and to maintain the grant rate at approximately the same level as previously.

The action of the Ministry of Education in the establishment of its own equalization assessment factors for taxation for educational purposes at the local level and for the distribution of grants to the school board is illustrated by reference to the Muskoka Board of Education. In 1973, in the Bracebridge Ward of the Town of Bracebridge, the assessment equalization factor set by the Ministry of Education was 17.91. The new assessment at market value, introduced for taxation in 1974, resulted in the Ministry of Education establishing an assessment equalization factor of 142.24. It is assumed that the reassessment was at market value which should produce a factor of 100.00. In 1973, the application of the assessment equalization factor of 17.91 would produce an equalized assessment of more than five times that of the local assessment. In 1974, the application of the assessment equalization factor of 142.24, established by the Ministry of Education, will produce an equalized assessment of 70 per cent of the market value assessment.

In the Baxter Ward in Georgian Bay Township, the assessment equalization factor of the Ministry of Education was 25.74 in 1973, whereas in 1974 it is 273.77. In 1974, all wards in the municipalities, within the jurisdiction of the Muskoka Board of Education, have factors considerably in excess of 100.00, so that the equalized assessment for each is always below the market value as was the case before reassessment. The County of Bruce is another example with a similar result.

The effect of manipulation of assessment equalizing factors by the Ministry of Education is to negate to a considerable degree the impact of reassessment at market value. It would be unrealistic and impractical to expect that, for the financing of education, the full effect of reassess-

ment at true market value could be absorbed by the municipalities in Muskoka and in the County of Bruce in one year. If the school board requisition were to remain about the same as it was in the previous year, the redistribution of the amount of the total requisition among the municipalities might be manageable. But, under present grant criteria, the impact of the increased equalized assessment could be to reduce the rate of grant on recognized ordinary expenditures, to reduce the amount of the grant correspondingly and, as a result, to increase the amount of taxes to be raised locally for education. Consequently, while full equity cannot be achieved all at once without serious dislocation, it is nevertheless desirable to work towards that goal on some systematic basis. This objective necessitates identification of the level of support for education to be provided at the local level and a rational plan to achieve that goal. It will not be realized by mathematical computations designed to negate the effect of reassessment at true market value.

Two Sets of Equalization Factors

But, if two sets of assessment equalization factors are used by the provincial government, then obviously at least one set has to be incorrect. In the light of our earlier analysis of the equalization factors produced by the former Department of Municipal Affairs, there is no doubt that that set did not result in an equitable allocation of taxation at the local level nor did it result in a fair distribution of grants from the provincial level. When the Ministry of Education arbitrarily makes changes in these equalization factors to minimize fluctuations in mill rates at the local level and in the legislative grants, it is reasonable to conclude that the adjusted factors do not result in equity or fairness either. Consequently, the deficiencies of the one set of factors are compounded by the addition of a second set whose only justification is the arbitrary maintenance, within relatively narrow limits, of earlier inequities. If the changes that might occur as a result of use of equalization factors issued by the former Department of Municipal Affairs and now maintained by the Department of Revenue are justified, they ought to work towards some equalization of tax burdens. To the extent that the Ministry of Education's factors intervene to prevent this happening, they result in the perpetuation of inequitable local mill rates and unfair distribution

of the educational tax load. It is highly questionable whether the Ministry of Education ought to be involved in the practice of manipulating assessment for its own purposes. If it does not wish mill rates and taxes for education to fluctuate, it should place a limit on the amount of change that can occur in any year and act to provide grants to control the extent of the change towards an equitable level. This direct action is much more legitimate and justifiable than the arbitrary establishment of equalization factors that are without logical foundation.

Program for Reassessment at Market Value

In 1969, the provincial government decided that assessment was in such a sorry state that action had to be taken to improve the situation. In Budget Paper B, issued at the time of the budget announcement in 1969, it was stated that:

"Property taxation in Ontario stands in need of fundamental reform, perhaps more so than any other area. As the Smith Committee and the Select Committee so clearly showed, the present property tax is grossly unfair and inefficient.

.....

But reform of property taxation is still necessary and desirable, both in its own right and in order to facilitate and complement reforms in government structure and provincial grants. Therefore, the Government is determined to overhaul the entire system of property taxation and make it as equitable and efficient as possible.

There are four main thrusts to the Province's plan for reform:

- . reassessing all real property at current value;
- . broadening of the local tax base by removing exemptions;
- . achieving a more neutral business assessment rate; and
- . determining an appropriate distribution of tax burdens among classes of real property.

Of these, reform of assessment is the most crucial for it is the foundation upon which subsequent reforms in these other areas must be based."¹⁸

Because the provincial government believed that fundamental reform could

¹⁸ Budget Ontario 1969, Ontario Department of Treasury and Economics, Toronto, 1969, p. 63.

not be achieved within the provisions for assessment then in existence, it announced that it would assume full responsibility for the administration of property assessment in several districts of Northern Ontario on July 1, 1969, and for the remainder of the province on January 1, 1970.

The work of reassessment of all real property has been proceeding under provincial auspices since 1969. The stated intention in 1969 was "to devote increased resources to the assessment function in order to ensure that the administration and quality of assessment is brought up to a proper level by the end of 1975."¹⁹ In response to an enquiry by the Committee in the summer of 1973, it was indicated by the Assessment Division of the Department of Revenue that, except for the Ottawa-Carleton Regions and parts of Metropolitan Toronto, the field work would be completed by September 30, 1973. Divisional officials were to evaluate the preliminary assessments to ensure their reasonableness and to eliminate any major discrepancies or errors. When this examination was completed, the Regional Offices were to prepare the information for computer analysis. Consequently, it was anticipated that it would be sometime in the late fall or early winter of 1973 before any substantial amount of information would be available. The intent was to return assessment rolls based on market value assessment to municipalities in 1974 for taxation in 1975.

Authority for determination of equalized assessment is contained in Section 71 of The Assessment Act. By an amendment²⁰ to the Act in 1971, the provisions of Section 71 with some minor exceptions ceased to be applicable until January 1, 1974, when it was again to come into force. This provision was made because reassessment at market value was under way and it was assumed that the new assessment rolls would be returned in 1974 for taxation in 1975. In the meantime, the assessment equalization factors issued by the Department of Municipal Affairs and in effect in 1971 were to be continued in use. The result was that the equalization factors were "frozen" so that for most municipalities rapid changes in the

¹⁹ Ibid, p. 64.

²⁰ The Assessment Act, R.S.O. 1970, Chapter 32, as amended by 1971, Chapter 79.

sale prices of property were not taken into account in the determination of equalized assessment from 1971 on. Consequently, the inadequacies that existed in that year have been continued and compounded.

In October, 1973, it was announced by the Ministry of Revenue that, with the exception of a small number of municipalities to be designated by the Lieutenant Governor in Council, the implementation of revised assessments based on market value would be deferred until 1976 or 1977.²¹ The decision to defer the return of assessment rolls based on market value until 1976 for local taxation purposes in 1977 resulted in a further amendment to The Assessment Act, contained in Bill 249,²² whereby re-instatement of all provisions of Section 71 of the Act will be deferred until January 1, 1975. The main reason given for the postponement was the escalating value of properties as revealed by sales during the three years when reassessment at market value was proceeding. The result will be that the assessments prepared in 1970 for taxation in 1971 will be perpetuated for two additional years. It is admittedly true that in many areas the market value of property has been increasing at a phenomenal rate. It is also likely that in many jurisdictions there will continue to be an escalation in sale prices in the next two years. Consequently, when assessments are updated to 1976 for taxation in 1977, the differences between the assessed values in 1970 and 1976 will be even greater than they would have been between 1970 and the time when the present reassessed values were reached in the period 1970 to 1973.

While the objective of a more current market value assessment for all properties is desirable, deferment of introduction of revised assessments will create even greater problems. The perpetuation of past inequities for two additional years, to 1977, will make adjustments of monumental proportions inevitable. The major shifts in the assessment relationships that would have occurred in 1975 among different types of property will be compounded. The increase in market value of some properties over the

²¹ Legislature of Ontario Debates, No. 101, October 18, 1973, Office of the Speaker, Parliament Buildings, Toronto, 1973, pp. 4406-4408, 4418.

²² An Act to amend The Assessment Act, 3rd Session, 29th Legislature, Ontario, 22 Elizabeth II, 1973, Section 4.

additional two-year period while other similar properties do not increase proportionately in value will magnify the problem.

Under the original schedule for the implementation of market value assessment in 1975, it would have been essential that the province take steps to cushion the taxation impact of the new assessments. Otherwise, the problems of allocation of education levies created when the new county and district school boards were established would have been repeated but to a much greater degree. In addition, the changes of assessment within a municipality would have added another dimension to the degree of fluctuation for the individual property owner. It now appears that all these difficulties will be present with even greater force in 1977. The necessity to control and limit fluctuations in taxation through a phased program of adjustment or to compensate for them, at least in part, through additional grants will be irresistible. But, instead of the substantial problem that would have existed in 1975, the difficulty will have escalated into one of horrendous proportions.

It would have been better, therefore, in so far as the financing of education is concerned, to have proceeded with the implementation of market value assessment in 1975 and to have made adjustments on a graduated scale in succeeding years. At least some progress would have been made towards a reduction of existing inequities even though it is recognized that the objective of a fair taxation system would still require further amendments at a later date. In another part of this Report, we have made proposals for a revision in the method of financing education. These recommendations were developed originally in the expectation that market value assessment would be introduced in 1975. It is our view that it should not be deferred until 1977. While the benefits in terms of equity for all taxpayers will not be as great without market value assessment, our proposals can still be implemented using the existing equalized assessment basis. The result will be an important step towards a fairer distribution of taxation for education.

CHAPTER 4

LOCAL TAXATION FOR EDUCATION

For many years the practices and procedures dealing with assessment, as described in Chapter 3, have been the source of inequities in the tax load for education borne by different classes of property within the same municipality, in the allocation of school board requisitions among municipalities, and in the rate and amount of general legislative grants to school boards. Even though school boards deal with the single service of education, there have been wide variations, not only in local mill rates but also in equalized mill rates, from municipality to municipality. There have also been wide differences in the expenditure per pupil from board to board even though the educational needs in the different jurisdictions were not greatly dissimilar. Lower-spending boards have often been unable to provide programs offered in other jurisdictions because of the effect that additional expenditures would have had on local mill rates. The result has been the perpetuation of inequality of educational opportunity.

Impact of Reassessment at Market Value

When the province introduces reassessment at market value, there should be greater equity in the distribution of the tax load for education. At the local level, however, there are bound to be substantial shifts in each municipality in the proportion of taxes paid by different types of property represented by farm and residential, apartments, commercial and industrial, and by business. This was demonstrated in several municipalities where reassessment at market value was introduced in recent years. The former Town of Mississauga is an example.

Where municipalities share services, particularly education, revised assessments will result in adjustments in the proportion and the amount of costs to be provided by each municipality in a school board jurisdiction. This outcome was demonstrated across the province when the county and district school boards were established in 1969. Mill rates were increased greatly in certain municipalities and lowered in others. It is inevitable that similar, or even more drastic, adjustments will occur

when the results of reassessment are implemented in 1977.

Another outcome of reassessment will be adjustments in the rates of grant applicable to school board expenditures and, therefore, in the amount of grants payable to them. Since the rates of grant on recognized ordinary expenditure are at present based on equalized assessment, as determined by application of the assessment equalization factors to local assessment, the changes in the rates as a result of reassessment could be substantial for many boards. Consequently, within the overall level of 60 per cent of the costs of education now paid to school boards by the province, there will be major shifts in the amount of grants distributed among the boards. Adjustments in the amount of grants will, of course, result in alterations in the amount to be raised by property tax at the local level.

The cumulative effect of these three developments as a result of reassessment - shift in proportion of education tax among types of property within a municipality, adjustment in the apportionment of the requisition for education among municipalities within a school board jurisdiction, and changes in the grant rates on expenditures by boards - will be that many property owners will have the amount of their taxes increased while others will receive some relief through lower taxes. When to these adjustments in the amount of the property taxes for education are added the adjustments in taxes for municipal services, the total shift in the tax load will be substantial in most municipalities. There is no doubt that the results will point up the inequities of the past and will allow for a greater measure of equity in the future, in so far as the property tax permits. But it is also true that the extent to which his taxes increase is of great importance to the taxpayer. Consequently, it will be impractical to permit mill rates and taxes to move to their calculated adjusted levels in one year as a result of implementation of reassessment in 1977. It seems, therefore, that provision must be made for a phasing-in period of several years to alleviate the impact of immediate application of reassessment on some properties. This procedure has been followed on numerous occasions in the past when municipalities have been united to form larger jurisdictions.

Split Mill Rates and Special Allowances

Provision exists in The Schools Administration Act¹ whereby preferential treatment for tax purposes is given to residential and farm assessment over commercial assessment. The advantage to the residential and farm assessment is achieved and is made highly visible by a calculation that results in a lower mill rate. The two mill rates are shown on the annual property tax bill and have become known as "split mill rates". The method of calculation of the two mill rates, as provided for in the Act, is as follows:

- (1) Add 90 per cent of the residential and farm assessment to the commercial assessment;
- (2) Multiply the amount to be raised by taxation in the municipality by 1,000 and divide the result by the total assessment determined in (1);
- (3) The rate to be levied on commercial assessment is the rate determined in (2);
- (4) The rate to be levied on residential and farm assessment is 90 per cent of the rate determined in (2).

The following example illustrates the formula:

Calculation of Split Mill Rates for Education

Data

Residential and farm assessment =	\$1,000,000
Commercial assessment =	500,000
Total assessment =	<u>\$1,500,000</u>
Amount of education taxes to be raised	\$ 42,000

¹The Schools Administration Act, Section 78.

Calculation of Mill Rates

Step 1

Ninety per cent of residential and farm

$$\text{assessment} = \frac{90}{100} \times \frac{\$1,000,000}{1} = \$ 900,000$$

$$\text{Commercial assessment} = \underline{500,000}$$

$$\text{Total assessment} = \underline{\$1,400,000}$$

Step 2

$$\text{Mill rate} = \frac{42,000 \times 1,000}{1,400,000} = 30 \text{ mills}$$

Step 3

$$\begin{array}{l} \text{Mill rate on commercial assessment} \\ \text{of \$500,000 is} \end{array} \quad 30 \text{ mills}$$

Step 4

Mill rate on residential assessment
of \$1,000,000 is

$$30 \text{ mills} \times \frac{90}{100} = 27 \text{ mills}$$

Calculation of Taxes

The taxes on commercial assessment of
\$500,000 at 30 mills are

$$500,000 \times \frac{30}{1,000} = \$ 15,000$$

The taxes on residential and farm
assessment of \$1,000,000 at 27 mills are

$$1,000,000 \times \frac{27}{1,000} = \$ 27,000$$

$$\text{Total taxes} = \underline{\$ 42,000}$$

If all assessment - farm and residential and commercial - were paying at the same mill rate for education, it would have required 28 mills to raise \$42,000 on a total assessment of \$1,500,000. Farm and residential assessment of \$1,000,000 would have contributed \$28,000, while commercial assessment of \$500,000 would have raised \$14,000. The effect of the split mill rate is that \$1,000 of taxation is shifted from farm and residential as-

sessment to commercial assessment.

While it may be advantageous to the taxing authority to emphasize the fact that residential and farm assessment is taxed on a mill rate ten per cent lower than that for commercial assessment, the procedure complicates the administration of taxation. Since it is our view that most taxpayers do not understand the advantage that they receive by the calculation, it is questionable whether the exercise is worth the trouble. However, the advantage to residential and farm assessment achieved by the device is very real. But it can be achieved by another means.

If, instead of applying a different mill rate to the actual assessment for farm and residential property, 90 per cent of this assessment were used and a common mill rate applied, the results would be exactly the same as those achieved by the present calculations. Using the same data as in the previous example, the calculations would be as follows:

Data

Residential and farm assessment =	\$1,000,000
Commercial assessment =	500,000
Total assessment =	<u>\$1,500,000</u>
Amount of education taxes to be raised	\$ 42,000

Calculation of Mill Rate

Step 1

Ninety per cent of residential and farm assessment = $\frac{90}{100} \times \frac{\$1,000,000}{1} =$	\$ 900,000
Commercial assessment =	500,000
Total assessment =	<u>\$1,400,000</u>

Step 2

$$\text{Mill rate} = \frac{42,000 \times 1,000}{1,400,000} = 30 \text{ mills}$$

Calculation of Taxes

The taxes on commercial assessment
of \$500,000 at 30 mills are

$$500,000 \times \frac{30}{1,000} = \$ 15,000$$

The taxes on residential and farm
assessment using 90 per cent of
\$1,000,000 at 30 mills are

$$900,000 \times \frac{30}{1,000} = \$ 27,000$$

Total taxes	<hr/>	\$ 42,000
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If this method were used, it would be possible to eliminate the different mill rates for the two classes of assessment. In our view, this would be a considerable improvement over present practice.

The whole question of whether advantage should be given to farm and residential assessment at the rate of ten per cent is one that we did not attempt to answer. Decisions in this area are essentially of a political nature. The multiplicity of special allowances which reduce property taxes for certain classes of taxpayers is a "tax jungle" into which we did not enter except to note their existence. Several of these provisions apply to taxes for municipal and educational services taken together. There is, however, a great need for a rationalization of the special allowances in relation to the taxes imposed. Otherwise, there is the definite possibility that the overall effect may be contributing to greater inequities rather than to a reduction of existing problems. It would seem more rational to apply a considerable proportion of the money now paid in special concessions for certain taxpayers to a reduction in the proportion of the cost of education to be borne by property taxes at the local level. While this method might not have the political appeal of direct payments to the recipients, it would reduce some of the uncertainties that now plague school boards and would permit them to plan on a more realistic basis. It would also reduce the overall administrative complexities associated with the present methods of providing tax relief.

Apportionment of Requisition

Each school board is required to prepare its estimates annually and to submit to each municipal council in its area of jurisdiction a requisition for the amount of tax for education to be raised in that municipality. The bases of the Apportionment are contained in a Regulation² made under The Secondary Schools and Boards of Education Act and in a Regulation³ setting out the Assessment Equalization Factors, made under subsection (1) of Section 10 of The Ministry of Education Act,⁴ as amended by clause (o) of subsection (3) of Section 3 of The Ministry of Education Amendment Act, 1972. The complexities of the procedure for determination of the apportionment and the inadequacies of the results have already been described earlier in this Report. Once assessment at market value is available, the process of apportionment will be greatly simplified since actual assessment will, in effect, be equalized assessment. However, this will not now be achieved until 1977 at the earliest. In the interim, it is our view that progress towards a more equitable distribution of a board's requisition on its municipalities should be under way and some of our recommendations are designed to achieve this objective.

Grant Leakage

Before the introduction of ceilings on expenditures by school boards in 1971, the Department of Education had great difficulty in fulfilling its commitments to pay a higher percentage of the total cost of elementary and secondary education in the province. When the Department announced its intention to pay a higher percentage of the cost, many former school boards increased their budgets to absorb at least part of the additional grants to be paid to them. The result was that the property tax did not

²Apportionment 1974 Requisitions, Ontario Regulation 201/74, made March 28th, 1974, filed April 3rd, 1974, pp. 26 and 27.

³General Legislative Grants 1974, Ontario Regulation 200/74, Schedule B, made March 28th, 1974, filed April 3rd, 1974.

⁴The Ministry of Education Act, Section 10, subsection (1), as amended by clause (o), subsection (3), Section 3 of The Ministry of Education Amendment Act, 1972.

drop by the amount of the increased grants. At the same time, because of the additional expenditures of school boards, the amount of money allocated by the Department to the payment of a higher percentage of the total cost proved inadequate so that its goal was not achieved. This pattern, whereby a proportion of the increased grants is not passed on to the local property taxpayer, is referred to as "grant leakage".

Grant leakage finds expression in at least one other way. When school boards have passed on to the property taxpayer all or part of the benefits from increased education grants, municipal councils have often absorbed part or all of the potential decrease by expansion of their programs and expenditures. The reasoning on the part of both school boards and municipal councils seems to be that, as long as the increase in property taxes is minimal or maintained at existing levels, there is likely to be little opposition from the taxpayer. The difference in time between the announcement of an increase in the percentage of the costs of education to be paid by the province in any year and receipt of a tax bill for education and municipal services for that year is so great that most people do not relate the two in any determination of the justification for the amount of property tax they are asked to provide.

In making these observations about the actions of school boards and municipal councils in increasing their expenditures to absorb part or all of increases in education grants, we are not making any judgments about the need for these actions because we do not have the information to permit us to draw any conclusions. Rather, our purpose is to draw attention to the situation as a basis for suggesting a solution to the problem later in this chapter.

Need for New Approach

There is, in our view, a compelling need for the development of new approaches to the financing of elementary and secondary education in this province. This is not to say that our present practices did not serve a former period well and effectively. Indeed, there is room for considerable satisfaction when the methods in use here are compared with those in other jurisdictions, particularly in most of the States in the United

States. But a position of leadership in this area of finance cannot long be maintained if essential adaptations are not made to take into account the rapidly changing circumstances with which we are confronted. It is no longer adequate to issue and require the annual implementation of a list of repairs and adjustments to an inadequate and outmoded vehicle. When provision is made for these needs so late in the year that one-quarter of the trip has been completed, it is inevitable that adequate planning is not possible and that the whole mechanism is likely to limp along for the balance of the journey. When the provisions made are of the "patch-up" type, couched in language and style that are a deterrent to understanding, the ultimate breakdown is almost inevitable. Before that happens, consideration must be given to new methods to achieve the desired objectives. We believe that that point has been reached in the financing of elementary and secondary education in this province. It is, therefore, essential that some fundamental changes be made in the methods by which the resources are provided to enable school boards to provide their programs. We will describe in the remainder of this chapter some changes that we believe will facilitate attainment of the desired goals.

Uniform Mill Rate on Equalized Assessment for Operating Costs

Mill rates for education at the local level have fluctuated widely over the years, not only within the same municipality but among municipalities within the same educational jurisdiction. This has happened in spite of the theoretical intent of the grant plan to achieve equity through the use of equalized assessment per pupil to determine grant rates and amounts of legislative grants. At the same time, there has been an increasing emphasis, at least as a stated objective, on the need to achieve equality of educational opportunity for all children, regardless of their place of residence in the province. In spite of some progress in this direction, there are still wide variations in the adequacy of the provisions designed to achieve the desired goal. Some of those differences exist because of the amount of the financial resources derived from the property tax and the wide range of expenditures per pupil made by different school boards.

A second factor to be considered is distribution of the tax load on an equitable basis. If there is to be equality of educational opportunity, there should also be equity in the total resources provided by the local and provincial levels and in the allocation of responsibility for the provision of the necessary finances. We have already concluded that, for practical reasons, it will be necessary to continue to use real property as the basis for determining a proportion of taxes to be provided, in spite of the fact that we are fully aware of the limitations of the property tax.

Later in this Report we will elaborate on our proposal that there be a basic uniform expenditure level per pupil for ordinary operating purposes applicable to all school boards at each of the elementary and secondary levels. To finance these expenditures in part, we are proposing that there be a uniform mill rate on equalized assessment, the revenues to be applied wholly to this purpose. This would mean that, regardless of location in the province, every taxpayer would pay the same mill rate on equalized assessment for the support of ordinary operating costs for each of elementary and secondary education. The residual amount between the revenues derived from the uniform mill rate and the basic uniform expenditure levels would be paid in general legislative grants. The items of expenditure to be paid from the funds provided from these two sources would be the net operating costs now identified as ordinary expenditure.

Establishment of Uniform Mill Rate

It is our view that a target uniform mill rate on equalized assessment for each of the elementary and secondary levels should be established by the Ministry of Education for taxation in 1976. These uniform mill rates should be the targets to be achieved for all boards and municipalities over a period of approximately five years. Analysis of the data from the annual financial reports for a sampling of boards in 1972, the last year for which firm figures were available to us, showed that a range at the elementary level from a low of 3.9178 equalized mills for the Simcoe County R.C.S.S. Board to a high of 4.6526 equalized mills for the Sudbury District R.C.S.S. Board was required to finance

the portion of the local levy attributed to operating costs (Table 19). At the secondary level, the range was from a low of 3.0802 equalized mills for the Lakehead Board of Education to 3.4414 equalized mills for the Metropolitan Toronto School Board. The range for the combined elementary and secondary levels was from a low of 7.0881 equalized mills for the Simcoe County R.C.S.S. Board to a high of 7.9926 equalized mills for the Metropolitan Toronto School Board.

Using these data, a target uniform mill rate might be placed in the range of 4.0 to 4.5 equalized mills for ordinary operating costs at the elementary level and of 3.1 to 3.4 equalized mills at the secondary level. The range for the combined elementary and secondary levels would then be from a low of 7.1 to a high of 7.9 equalized mills. The actual target levels to be established for 1976 should be determined after an analysis of audited financial reports of boards for 1973, estimated expenditures of boards for 1974, budgets for 1975, and the equalized mill rates required to finance ordinary operating costs in those three years.

It should, of course, be recognized that the equalized mill rates cited in the two previous paragraphs are for school boards and, therefore, represent an averaging of the total local levy over the total equalized assessments for all municipalities within the jurisdiction of each board. The range of mill rates for the municipalities under each board will, therefore, be wider than that given for the boards in the sample in Table 19.

Phasing-In Period for Uniform Mill Rate

When the target uniform mill rate on equalized assessment for operating costs is established in 1976, a period of several years will be required during which progress can be made towards the uniform level. We estimate that a minimum period of five years will be necessary before all boards and municipalities will have reached the uniform level. Where school boards and municipalities are already at or near the uniform mill rate established for 1976, they could be placed at the level in 1976. But a period of time will be required for most jurisdictions to reach the uniform level, the length of that period being dependent on the extent

TABLE 19

EQUALIZED MILLS REQUIRED TO FINANCE LOCAL LEVY
FOR RECOGNIZED ORDINARY EXPENDITURES FOR SELECTED BOARDS IN 1972

		Recognized Ordinary Expenditure	Local Levy	Taxes from One Mill on Equalized Assessment	Number Equalized Mills Required
Bruce County					
B. of Ed.	Elem.	\$ 4,017,329	\$ 1,289,161	\$ 295,135	4,3680
Bruce-Grey County	Sec.	4,165,378	1,057,173	330,384	3,1998
R.C.S.S. Board	Elem.	1,654,961	221,930	53,257	4,1672
Frontenac County					
B. of Ed.	Elem.	8,161,018	2,857,173	633,825	4,5078
Frontenac-Lennox and Addington County R.C.S.S. Board	Sec.	8,059,411	2,287,261	705,226	3,2433
	Elem.	2,425,543	356,070	78,078	4,5604
Hamilton					
B. of Ed.	Elem.	20,366,962	10,558,233	2,358,677	4,4763
Wentworth County	Sec.	22,416,443	9,190,742	2,712,486	3,3883
R.C.S.S. Board	Elem.	14,196,892	1,885,374	422,654	4,4608
Halton County					
B. of Ed.	Elem.	18,075,561	7,434,478	1,736,581	4,2811
Halton County R.C.S.S. Board	Sec.	17,534,145	6,047,527	1,886,877	3,2050
	Elem.	4,161,923	625,953	151,149	4,1413
Lakehead					
B. of Ed.	Elem.	9,264,021	3,090,477	698,869	4,4221
Lakehead District	Sec.	10,578,472	2,480,652	805,360	3,0802
R.C.S.S. Board	Elem.	4,100,649	480,186	106,492	4,5091
Metropolitan Toronto School Board	Elem.	165,594,976	104,805,060	23,027,606	4,5512
Metropolitan Separate School Board	Sec.	154,944,036	86,474,266	25,127,674	3,4414
	Elem.	50,253,950	9,216,574	2,112,166	4,3636

TABLE 19 (Continued)

EQUALIZED MILLS REQUIRED TO FINANCE LOCAL LEVY
FOR RECOGNIZED ORDINARY EXPENDITURE FOR SELECTED BOARDS IN 1972

		Recognized Ordinary Expenditure	Local Levy	Taxes from One Mill on Equalized Assessment	Number Equalized Mills Required
Sault Ste. Marie B. of Ed.	Elem. Sec.	\$ 6,787,667 7,431,166	\$ 2,292,195 1,965,543	\$ 509,086 627,689	4.5026 3.1314
Sault Ste. Marie District R.C.S.S. Board	Elem.	4,841,081	527,194	118,608	4.4448
Simcoe County B. of Ed.	Elem. Sec.	14,161,273 13,877,878	5,588,038 4,586,639	1,342,074 1,446,738	4.1637 3.1703
Simcoe County R.C.S.S. Board	Elem.	2,924,043	411,705	105,086	3.9178
Sudbury B. of Ed.	Elem. Sec.	10,431,539 16,768,014	3,530,033 3,534,697	778,160 1,105,382	4.5364 3.1977
Sudbury District R.C.S.S. Board	Elem.	16,203,358	1,526,356	328,065	4.6526
Windsor B. of Ed.	Elem. Sec.	11,049,873 15,538,736	5,592,341 5,971,536	1,349,497 1,769,779	4.1440 3.3742
Windsor R.C.S.S. Board	Elem.	12,012,261	1,763,400	427,811	4.1219
York County B. of Ed.	Elem. Sec.	16,894,748 15,301,697	7,083,968 5,817,705	1,661,838 1,771,141	4.2627 3.2847
York County R.C.S.S. Board	Elem.	2,995,063	485,200	105,824	4.5850

of the present deviation from the target. Obviously, those jurisdictions that now deviate to the greatest extent will require the longest period to make the adjustment to the established uniform mill rate. It would be a mistake to try to bring all municipalities to the uniform level in a short period of time, particularly when adjustment towards basic uniform expenditure levels is being phased in simultaneously.

Advantages of Uniform Mill Rate for Operating Costs

The advantages that may be anticipated when the uniform mill rate on equalized assessment for operating costs for education is finally achieved for all school boards and municipalities are summarized below. They will be realized gradually as boards and municipalities reach the uniform mill rate during the phasing-in period beginning in 1976.

1. Municipal councils and school boards will know the tax rate for operating costs of school boards well before the beginning of the fiscal calendar year. This knowledge will assist them in their planning and will facilitate the administration of taxation.
2. There will ultimately be stability in the mill rate for operating costs for education. Local taxpayers will then no longer be concerned about the possibility of a rise in mill rate for this purpose. Where there is no change in the amount of assessment, the tax on a property for operating costs for education will remain static from year to year.
3. The Ministry of Education will know well in advance and within narrow limits the amount of property taxes to be realized from the uniform mill rate on equalized assessment. In a manner described elsewhere in this Report, it could establish its basic uniform expenditure limits for operating costs well in advance and would then know early in the preparation of its estimates the amount it would have to provide in general legislative grants for this purpose.
4. It will no longer be necessary to provide a complicated mechanism

for the apportionment of costs among municipalities since all would pay at the same mill rate on equalized assessment.

5. The single, inflexible source of revenue represented by the property tax will no longer be required to adapt to the needs of fluctuating educational costs. That function will be assumed by the province with its greater variety of tax sources, several of which have a degree of buoyancy not applicable to the property tax.
6. Property taxes on operating costs for education will not be affected by decisions made by the provincial government in such areas as creation of new towns, development of new housing, and introduction of new industry, or by decisions of municipal government in such areas as approval of subdivisions, redevelopment of a run-down central core, and the like. In so far as operating costs for education are concerned, these and similar developments will not result in any increase in property tax for those already living in or owning property in a municipality. New residents or owners will be required to pay property taxes at the same rate for the same educational services. Since any concentration in a municipality or subdivision of families with young children will not result in an increase in the tax rate for educational operating costs, local property taxpayers will not be able to use the provision of education as the basis for their objection to new developments.
7. Among municipalities, anomalies created by assessed property exempt from taxation for educational purposes will disappear since the province will be making up the difference between the uniform mill rate on equalized assessment and the basic uniform expenditure level for operating purposes.
8. The necessity to distinguish between resident and non-resident pupils for the cost of basic programs will largely disappear, as will the necessity to charge most fees. The major criterion determining admissibility of a pupil will be the availability of accommodation. With few exceptions, there will be no extra tax burden at the local level because of the admission of non-resident pupils. It would, however,

be necessary to continue to collect fees for pupils for whom the Federal government has responsibility to provide education.

9. Many of the complexities that now stem from provisions of the Regulation regarding general legislative grants will be eliminated.
10. Once the uniform mill rate is fully implemented for all boards and municipalities, there will be no possibility of grant leakage since the mill rate on equalized assessment for operating costs will be uniform and will remain constant unless the province decided to reduce the uniform mill rate at some time in the future.
11. There will be equality of tax load, in so far as the use of assessment of real property for tax purposes will permit. It will no longer be necessary for Public School boards and Roman Catholic Separate School boards to compete for assessment to finance operating costs. The choice of Roman Catholics to be public school ratepayers or separate school supporters will be on other grounds than local tax rates for education.

Discretionary Mill Rate on Equalized Assessment

In 1970, a school board could receive grant on a maximum expenditure for operating purposes of \$500 per pupil at the elementary level and \$1,000 per pupil at the secondary level. Any expenditure in excess of these limits was not eligible for grant and had to be funded wholly from local property taxes. But each board had authority to determine the maximum expenditure limit per pupil it wished to establish. In 1971, however, ceilings were placed on the maximum expenditures that a board could make, even though no part of the excess over the amount eligible for grant was payable by the province. This action was a new departure that removed from school boards the right to set the expenditure level as high as they might consider necessary. While it is our view that some limits on expenditures were necessary, the ceilings - as modified by the application of the weighting factors - produced an unwarranted degree of rigidity. The fact that amounts had to be spent for purposes designated by some of the factors made it difficult for boards to apply a proportion of their

funds in the manner most suited to their needs and in accordance with their own priorities.

We believe that a degree of flexibility should be provided for boards without control by the province of the manner in which the funds will be used. It is also our view that since the basic uniform expenditure levels we propose will accommodate a good educational program, any supplementary expenditures should be financed wholly by the local taxpayer and that taxation to produce revenues for this purpose should be clearly identifiable by the property taxpayer. We are proposing, therefore, that each school board be permitted to impose a discretionary mill rate on equalized assessment up to a limit of one mill at the elementary level and one-half mill at the secondary level. The lower mill rate at the secondary level is based on the fact that the amount of the equalized assessment is greater than at the elementary level for most board jurisdictions.

The funds provided by the discretionary mill rate will permit some flexibility, within limits, for supplementary programs and services beyond those provided by the basic uniform expenditure limits. Examples include the portion of transportation costs not approved for grant at the rate of 100 per cent; expenditures to provide innovative programs and experimental projects school boards wish to undertake and for which they believe they have the support of their communities; and costs for goods and services in excess of those normally accommodated within the basic uniform expenditure limits. The principle is that school boards will determine the purposes to which these funds will be applied without direction from any other body.

It is recognized that, if all boards set the discretionary mill rate at the maximum of one mill at the elementary level and one-half mill at the secondary level, some boards will receive more revenues than others because of differences in amount of equalized assessment. However, since provision will already have been made for the essential programs through the basic uniform expenditure levels, some boards will not find it necessary or will not wish to impose the maximum discretionary mill rate. In any case, the additional amounts available through this rate will be

within controlled limits and will be provided wholly by the taxpayers within each board's jurisdiction. It is our view that this degree of flexibility is not only justified but essential if new ideas are to be tried and if "lighthouse" schools are to be encouraged.

Reserve for Working Funds

Under the provisions of subsection (1)(e) of Section 31 of The Secondary Schools and Boards of Education Act, a divisional board may provide each year a reserve for working funds of a sum not in excess of five per cent of the expenditures of the board for the preceding year. When the accumulated sum in the reserve is equal to, or more than, 20 per cent of such expenditures, no further amount may be provided. A similar provision is contained in subparagraph (v) of subsection (1)(b) of Section 51 of The Public Schools Act and in Section 65(d) of The Separate Schools Act.

The purpose of this legislation is to permit a school board to set aside funds, in excess of those required to meet current budgeted expenditures, so that it has money on hand to meet its current requirements, particularly early in the year. For example, since the calendar year is the fiscal year, the board must have funds to meet its payroll and to pay other accounts during the early months of its fiscal year before enough money is received from property taxes and legislative grants to cover these items. Where a board does not have a reserve, it has to borrow money and pay a substantial rate of interest until it receives revenues to permit it to repay these borrowings.

By establishing a reserve for working funds, the board, at the beginning of its fiscal year, has available part or all of the money necessary to pay its way until payments are received from its main sources of revenue - legislative grants and property taxes. However, the savings in interest that the board achieves by this procedure are realized at the expense of the taxpayer who is called upon to pay taxes to establish the reserve fund and who, therefore, foregoes the interest he might have earned if he had been able to retain the amount of his tax payment for this purpose. However, if he is not taxed to enable the board to establish the reserve fund, the amount of his taxes will be higher because of the interest charges on bank borrowings. Consequently, the provision of a reserve for

working funds is advantageous to the board and is a sound business practice.

But the maximum amounts for a reserve for working funds permitted by existing legislation are greatly excessive. In 1972, one board of education, with a medium-sized school system, had a total expenditure of \$22,162,409 for elementary school purposes and a total expenditure of \$20,561,648 for secondary school purposes. Consequently, in 1973, the board could have raised \$1,108,120 at the elementary level and \$1,028,082 at the secondary level to be kept in a reserve for working funds. If the board had adopted the practice of raising five per cent each year for a period of four years, it could have accumulated a total of \$4,432,480 at the elementary level and a total of \$4,112,328 at the secondary level, based on the amount of the expenditures in 1972. The board did not, of course, raise anything like these amounts, first, because they were unnecessary and, second, because they would have resulted in a highly inflated tax rate, since the whole amount of the reserve would have had to be provided by local taxation. Other boards with much greater expenditures could raise correspondingly higher amounts if they so desire. In 1972, the financial statements for 84 school boards - Public, Separate and secondary - showed that 20 boards of education and seven R.C.S.S. boards had reserves for working funds in excess of \$9.25 million with a range per board from \$6,600 to \$1.8 million.

Given the higher grant rates that now prevail, the provisions for payment of instalments on legislative grants, and the stability in the rate of local taxation that will be achieved by implementation of our recommendations for the financing of education, we believe that the existing maximum limits for a reserve for working funds are much greater than necessary and that they ought to be drastically reduced. It is our view that the maximum sum a board should be allowed to accumulate for this purpose should not exceed five per cent of its budget in any year. The amount to be raised in any year should be provided through the discretionary mill rate and should be accommodated within the limits established for that rate.

Where a board already has in reserve an amount in excess of five per cent of its budget, the excess should be applied to reduce any contemplated discretionary mill rate. This process should continue from year to year

until the amount of the reserve is within the prescribed level of five per cent of the budget. The application in this manner of excess funds in the reserve should not increase the amount of money available in any year for the purposes normally financed from revenues from the discretionary mill rate. The excess funds in the reserve are, therefore, intended to be used in lieu of revenues that might otherwise be derived from the discretionary mill rate and in no way supplemental to them.

Provision for Permanent Improvements from Current Revenues

Under existing legislation school boards are permitted to make expenditures from current revenue for permanent improvements as defined in The Schools Administration Act. The term "permanent improvement" includes

- " (i) the acquisition of a school site and an addition or an improvement to a school site,
- (ii) the acquisition or erection of a building used for instructional purposes and any addition, alteration or improvement thereto,
- (iii) the acquisition or erection of an administration office, a residence for teachers or caretakers and a storage building for equipment and supplies, and any addition, alteration or improvement thereto,
- (iv) the acquisition of furniture, furnishings, library books, instructional equipment and apparatus, and equipment required for maintenance of the property,
- (v) the acquisition of a bus, or other vehicle, used for the transportation of pupils,
- (vi) the obtaining of a water supply on the school property or conveyed from outside the school property,
- (vii) initial payments or contributions for past service pensions to a pension plan for officers and other employees of the board."⁵

Authority for a board to make expenditures for these purposes is found

⁵The Schools Administration Act, Section 1, subsection (2), paragraph 18.

in each of three Acts.^{6,7,8} The total maximum expenditure permitted a school board for items listed in subparagraphs (i), (ii), (iii), and (vii), together with any allocation to a reserve fund for permanent improvements, is limited to the amount of the revenues derived from a maximum of one mill on the total equalized assessment supporting the board. A board may decide the amount of any expenditures it may wish to make for the items listed in subparagraphs (iv), (v), and (vi).

In our Second Interim Report,⁹ which considered school building programs, we recommended that the allowance of one mill on equalized assessment for the purposes set out in subparagraphs (i), (ii), (iii), and (vii), together with any reserve for permanent improvements, be reduced to one-half mill on equalized assessment at each of the elementary and secondary levels for all boards except the Metropolitan Toronto School Board and that, for the latter board, it be set at one-half mill on local assessment. We believe that provision for permanent improvements for items listed in subparagraphs (iv), (v), and (vi), should also be included within the revenues derived from the one-half mill limit.

It is our view that provision by a board for permanent improvements for school sites (subparagraph (i)); non-instructional buildings (subparagraph (iii)); acquisition of furniture, etc., beyond that included within the basic uniform expenditure levels for operating purposes (subparagraph (iv)); payments to a plan for past service pensions (subparagraph (vii)); and, of course, for a reserve fund, should not be eligible for legislative grants. Expenditures from current revenues for instructional

⁶The Secondary Schools and Boards of Education Act, Section 31, subsection (1), clause (d), paragraphs (i) and (ii), as amended by The Secondary Schools and Boards of Education Amendment Act, 1972, Section 7.

⁷The Public Schools Act, Section 51, subsection (1), clause (b), paragraph (iv), as amended by The Public Schools Amendment Act, 1972, Section 14.

⁸The Separate Schools Act, Section 65, clause (d), as amended by The Separate Schools Amendment Act, 1972, Section 21.

⁹School Building Programs, Interim Report Number Two, Committee on the Costs of Education, Queen's Printer and Publisher, Toronto, 1972, pp. 20-21.

buildings (subparagraph (ii)); for the acquisition of a bus (subparagraph (v)); and for the obtaining of a water supply (subparagraph (vi)), if approved by the Ministry of Education, would be eligible for grant at the rate of 100 per cent of cost, consistent with our earlier recommendations regarding the provision of school accommodation.¹⁰

We propose that school boards be authorized to set a mill rate up to one-half mill on equalized assessment at each of the elementary and secondary levels to finance permanent improvements from current funds and that the maximum expenditures for all of these purposes in any year not exceed the revenues from this source. Where boards decide to impose taxation to finance permanent improvements from current funds, the mill rate up to a maximum of one-half mill on equalized assessment would be supplementary to the discretionary mill rate already described and would be included in the total discretionary mill rate.

Debenture Debt Mill Rate

During the period of rapid increase in enrolment in the 1950s and 1960s, Ontario undertook a school construction program of massive proportions. Most of the debentures issued for this purpose were repayable over a period of twenty years. Consequently, the outstanding debentures are those issued after 1954 when the period of greatest growth took place. In 1974, the outstanding indebtedness for debentures issued prior to 1971 is \$1,083,167,000 (Table 20). The payment of principal and interest on these debentures in 1974 is \$167,104,000. To bring these figures up to date, the amounts of the debentures issued during the years 1971 to 1973 inclusive, and the annual payments of principal and interest thereon, must be added.

In our Interim Report Number Two,¹¹ we recommended that the Ministry of Education pay 100 per cent of the amount of the annual repayment of principal and interest on debentures issued by boards in the future. It was also proposed that boards should not make expenditures beyond

¹⁰Ibid, p. 20

¹¹Ibid.

TABLE 20

STATUS OF DEBENTURE RETIREMENT BY SCHOOL BOARDS,
1969-1991, FOR DEBENTURES ISSUED PRIOR TO 1971

Year	Principal Outstanding			Payments ^a		
	Elementary (\$000)	Secondary (\$000)	Total (\$000)	Elementary (\$000)	Secondary (\$000)	Total (\$000)
1969	814,756	403,616	1,218,372	102,026	50,533	152,559
1970	899,978	419,059	1,319,037	115,734	57,250	172,984 ^b
1971	893,983	438,335	1,332,318	119,220	57,797	177,017
1972	824,022	411,738	1,235,760	118,193	57,701	175,894
1973	785,742	384,548	1,170,290	118,394	56,529	174,923
1974	727,734	355,433	1,083,167	112,070	55,034	167,104
1975	676,806	328,566	1,005,372	98,465	53,778	152,243
1976	588,657	296,383	885,040	106,050	52,325	158,375
1977	565,765	273,791	839,556	102,458	49,847	152,305
1978	510,291	245,822	756,113	97,857	47,394	145,251
1979	456,733	218,702	675,435	92,015	46,292	138,307
1980	400,084	192,486	592,570	85,985	42,853	128,838
1981	350,267	170,212	520,479	81,099	39,478	120,577
1982	299,523	142,686	442,209	76,575	37,350	113,925
1983	241,558	119,894	361,452	72,464	34,120	106,584
1984	199,566	95,692	295,258	67,697	32,951	100,648
1985	158,042	72,328	230,370	60,868	30,368	91,236
1986	104,946	48,616	153,562	55,971	27,983	83,954
1987	66,423	30,920	97,343	47,655	20,520	68,175
1988	34,051	15,265	49,316	36,675	16,322	52,997
1989	12,324	6,439	18,763	23,790	11,552	35,342
1990	3,587	1,835	5,422	9,613	4,896	14,509
1991	-	62	62	3,374	1,865	5,239

Source: Ministry of Education, Ontario, 1972.

Notes: ^aPayment includes principal and interest.

^bIncludes interest on short-term borrowings.

the amounts approved for grant purposes so that there would not be any part of the cost of new construction borne wholly by local property taxes. Our reasons for these proposals are set out in detail in that Report.

In the past, when a board submitted a proposal to provide school accommodation, the policy of the Ministry of Education was to approve an expenditure for grant purposes that would provide the amount of essential space and that would permit good quality construction. Some school boards went beyond these levels to provide additional or more elaborate accommodation and construction of a more expensive type. The cost in excess of the amount of the Ministry's approval for grant purposes had to be borne entirely by local taxation. Therefore, the proportion of the annual repayment of principal and interest attributable to the excess expenditure by the board had to be paid through local taxes at the rate of 100 per cent. The additional burden in some board jurisdictions has been substantial.

Taxpayers of some boards, which incurred expenditures in excess of the amount of approval for grant purposes for accommodation provided prior to 1969, had their taxes for this purpose reduced when the larger units were established. This was possible where a former board with a large excess indebtedness entered a new jurisdiction where the average tax for this purpose for all the former boards was less. The annual repayment is now shared by all the taxpayers in the new jurisdiction. In the case of former boards which practised economy and which did not exceed the amount of the Ministry's approval for grant purposes, their taxpayers have been penalized since 1969, by having to assume a portion of the cost of school accommodation provided by other former boards. While the Ministry of Education has taken steps to alleviate the impact of this inequity in its legislative grants, it is still a matter of concern. This will be elaborated on in the chapter dealing with general legislative grants.

We have recognized that the magnitude of the total commitment for the repayment on debentures issued in the past is so great that the Ministry of Education could not assume the total cost of the annual payments of principal and interest. When the debentures were issued, school boards understood that they would be responsible for raising taxes to pay a

part of the annual repayment costs. Over the years the Ministry has increased the percentage rate of grant on annual instalments of principal and interest so that taxpayers at the local level are now paying less than was anticipated when the indebtedness was originally incurred.

It is our view that the proportion of the annual tax bill allocated to the repayment of principal and interest on outstanding debentures should be provided through a tax rate clearly identified for that purpose. Our other recommendations that would prevent expenditures in excess of the amount approved for grant purposes and that would provide grant at the rate of 100 per cent of the approved expenditures would mean that capital indebtedness for school boards would decline until it reached zero for all boards within twenty years. The only exceptions would be those boards that might find it necessary to incur expenditures of a capital nature for purposes such as the provision of an administrative centre.

Identification of Three Mill Rates for Education

Existing charges on local property tax in 1974 are summarized in Table 21. The basic ceilings of \$683 at the elementary level and \$1,210 at the secondary level, announced in August, 1973, were increased in April, 1974, by \$21 at each level to bring the amounts to \$704 and \$1,231 respectively. While these levels were applicable to all boards, some were unable to achieve them because of the impact on local tax rates of the increase over the previous year's spending.

The application of grant weighting factors and expenditure weighting factors to the basic ceilings resulted in still greater variations in the amount of grant and expenditure. Both of these factors increased the differences among boards in the amounts of money they had available to them.

Our proposed classifications of (a) a uniform mill rate on equalized assessment for operating expenditures; (b) a discretionary mill rate on equalized assessment up to one mill at the elementary level and up to one-half mill at the secondary level for purposes to be decided by the board; and a discretionary mill rate on equalized assessment up to one-

TABLE 21

LOCAL TAXATION

1974

FOR OPERATING EXPENDITURES		PERMANENT IMPROVEMENTS		FOR EXTRAORDINARY EXPENDITURES	
		FROM CURRENT REVENUE		CAPITAL INDEBTEDNESS	
				TRANSPORTATION	
Recognized	Unrecognized	Recognized	Unrecognized	Recognized	Unrecognized
Ordinary	Ordinary	Expenditures	Expenditures	Extraordinary	Extraordinary
Expenditures	Expenditures	Less General	Less General	Expenditures	Expenditures
at 100 per	at 100 per	Legislative	at 100 per	Less General	at 100 per
cent	cent	Grant	cent	Legislative	cent
Grant				Grant	
1. Operating Expenditures					
determined by Basic					
Ceilings of \$704 and					
\$1,231 for elementary					
and secondary levels					
respectively, increased					
by Grant Weighting					
Factors and Expenditure					
Weighting Factors					
applicable to each					
board.					
2. Great variety of mill					
rates on equalized					
assessment at local					
level.					

half mill at each level for permanent improvements from current funds to be decided by the board; and (c) a debenture debt mill rate for payment of principal and interest on debentures issued in the past, are set out in summary form in Table 22.

In our development and testing of the three proposed mill rates on equalized assessment, we used the data from the financial statements of school boards for 1972, the latest year for which they were available. Detailed testing was done for 18 school boards, supported by 100 municipalities. Total expenditures exceeded \$275 million and the total average daily enrolment was approximately 265,000 pupils. The results of our analysis of the data for 1972, in terms of proposed tax rate levels, are shown in Table 23.

Proportion of Cost of Education to be Provided by Property Tax

At the present time, the Ministry of Education designates the expenditures by school boards into several categories. "Ordinary expenditures" are those incurred by all boards for the day-to-day operation of the school system. Within this category there are two subcategories - "recognized ordinary expenditures" and "unrecognized ordinary expenditures". Recognized ordinary expenditures are those to which the board's rate of legislative grant is applied to calculate the amount of the grant. The balance of the recognized ordinary expenditures not provided by grant and all of the unrecognized ordinary expenditures on which no grant is paid must be financed by local property taxes.

"Extraordinary expenditures" are those that occur in varying amounts from school board to school board. The major purposes of extraordinary expenditures are for transportation of pupils and for payment of principal and interest on debentures issued to provide capital for school construction. There are also two subcategories in this classification - "recognized extraordinary expenditures" and "unrecognized extraordinary expenditures". Recognized extraordinary expenditures are those to which two rates of grant apply - a lower rate up to a certain level of expenditure and then a higher rate on the balance. Generally, the rates are approximately 75 per cent and 90 per cent respectively, but there are variations above and

TABLE 22

PROPOSED LOCAL TAXATION, 1976

(A) FOR OPERATING PURPOSES	(C) FOR CAPITAL INDEBTEDNESS		FOR TRANSPORTATION	
	FOR SUPPLEMENTARY EXPENDITURES	FOR PERMANENT IMPROVEMENTS	FOR TRANSPORTATION	FOR TRANSPORTATION
(A) FOR OPERATING PURPOSES	FOR OPERATING PURPOSES	FROM CURRENT REVENUE	FOR TRANSPORTATION	FOR TRANSPORTATION
	(i) Discretionary Mill Rate on Equal- ized Assessment up to 1 mill and 0.5 mill at elementary and secondary levels respectively	(ii) Discretionary Mill Rate on Equalized Assessment up to 0.5 mill at each of ele- mentary and secondary levels	Debt Mill Rate to finance, in part, pay- ments on outstanding deb- entures	Unrecognized Transportation Cost
Uniform Mill Rate on Equalized Assessment at each of elementary and secondary levels				
1) Revenues from Uni- form Mill Rate on Equalized Assessment to be applied to op- erating costs up to Uniform Expenditure Levels with Ministry of Education paying difference	1) Revenues to be applied as deter- mined by the board to finance, e.g. unrecognized trans- portation costs, expenditures in ex- cess of those fi- nanced by the Uni- form Expenditure Levels, but not in- cluding expendi- tures for permanent improvements	1) To include ex- penditures approved for grant purposes for instructional buildings; purchase of pupil transpor- tation vehicles; ob- taining water supply; with 100 per cent grant payable by the Ministry of Education	1) For debentures issued before January 1, 1974, amount of payment less general legislative grant	NIL
2) Provision to be made for phasing in of Uniform Mill Rate on Equalized Assess- ment and Uniform Ex- penditure Level for each of elementary and secondary school board levels.	2) No direct cost to local taxpayer for approved expenditure purposes listed above	2) To finance ex- penditures for school sites; non- instructional buildings; furni- ture, etc., not included in Uni- form Expenditure Levels; and past service pension contributions	2) Portion of debentures previously unrecognized for grant purposes to be made eligible for grant	1) Grant to be paid at rate from Discre- tionary Mill No local taxa- tion
3) School board free to determine priori- ties to be estab- lished and programs to be financed	2) Above expendi- tures financed wholly by revenues from the Discretionary Mill Rate on Equalized Assessment	3) The total expenditures by a board for all permanent improvements from current revenue in any year are not to exceed the amount of the revenues represented by 0.5 mills on equalized assessment for the board	3) For debentures issued after January 1, 1974, no local taxation with ap- proved expenditures to be eligible for grant at rate of 100 per cent	
4) No grant or expen- diture weighting fac- tors				

TABLE 23

PROPOSED TAX RATE CATEGORIES FOR EDUCATIONAL SERVICES
BASED ON EQUALIZED ASSESSMENT FOR 1972

	<u>Public Schools</u>	<u>R.C.S. Schools</u>	<u>Secondary Schools</u>	<u>Total Mills</u>
<u>Uniform Mill Rate</u> for current operations ^a	4.0 to 4.5	4.0 to 4.5	3.1 to 3.5	7.1 to 8.0
<u>Discretionary Mill Rate</u> (a) for supplementary programs and services (up to maximum of)	1.0 mill	1.0 mill	.5 mill	1.5 mills
(b) for permanent improvements from current revenues (up to maximum of)	.5 mill	.5 mill	.5 mill	1.0 mill
Total	1.5 mills	1.5 mills	1.0 mill	2.5 mills
<u>Debtenture Debt Mill Rate</u> for debt retirement	Depending on each board's indebtedness but a reducing amount each year to zero over a maximum period of twenty years. ^b			

Notes:^a It should be understood that the uniform mill rate for current operations established in 1976 will be the target to be achieved in subsequent years after a phasing-in period.

^b Based on adoption of our Recommendation that in future the Ministry of Education assume full cost of provision of instructional accommodation and on assumption that there will be no debentures issued for purposes such as an administration building.

below these percentages, depending on particular circumstances as recognized by special formulae. The balance of the recognized extraordinary expenditures on which no grant is paid must be financed by local property tax.

General legislative grants amount to approximately 60 per cent of the total expenditures by school boards. Consequently, property taxes have to provide about 40 per cent of the total cost. In 1972, local taxation provided about \$788,000,000 of a net expenditure by school boards of approximately \$1,945,000,000 for day school programs.

In two of our earlier Interim Reports,^{12,13} we recommended, for reasons explained therein, that the Ministry of Education pay grant at the rate of 100 per cent of the cost of school building accommodation to be provided in the future and 100 per cent of the approved cost of pupil transportation. It is our view that, since expenditures for these purposes are already subject to approval for grant purposes by the Ministry of Education, there could be little or no reduction of school board autonomy by payment of grant at the rate of 100 per cent. We do not, however, believe that the same reasoning can be applied to the current operations of school boards involving expenditures for curriculum and instructional purposes.

It is our view that there is a limit below which the contribution through property taxes to the support of the current operations of school boards should not drop, if local autonomy is to be retained. It is difficult to determine the specific level of local support below which loss of autonomy occurs. Some boards have been receiving grants for many years at a rate as high as 90 per cent of approved expenditures so that property taxes have been contributing a small proportion of their costs. Other boards have had a relatively high proportion of their costs financed by local taxation. There does not seem to be any substantial difference in the degree of autonomy enjoyed by the boards at these two levels of local support. We believe that, since the same legislation and Regulations apply

¹²Ibid.

¹³Pupil Transportation, Interim Report Number Three, Committee on the Costs of Education, p. 12.

to all boards, the existence of some boards that have a relatively low percentage of the costs of their operations financed through property tax assures the same degree of autonomy to all boards. We conclude, therefore, that all school boards in the province should continue to have a reasonable percentage of the total costs of their operations provided by property taxes.

We believe that, having regard for all the circumstances including the preservation of local autonomy in education, the proportion of the costs provided by local property taxes should be reduced from the present level of approximately 40 per cent. As a first step in that direction, we have already recommended the payment of 100 per cent of approved transportation costs and 100 per cent of the cost of essential school accommodation to be provided in the future. In addition, we propose that the present level of support for current operations be decreased over a period of years until it reaches a minimum of 33 1/3 per cent for the province as a whole. This objective could be achieved by the province assuming increases in costs while maintaining the uniform mill rate in support of the basic uniform expenditure levels for operating costs recommended earlier. The extent of the provision that might be made in any year towards reduction of the proportion of the costs borne by local property taxes will depend on a full analysis by the Ministry of Education of the audited annual financial reports of school boards for 1973, of estimated expenditures in 1974, and budgets for 1973, when these data are available.

Financial Implications of Mill Rate Provisions

The effect on the costs of education as a result of the establishment of the uniform mill rate for operating expenditures, the discretionary mill rates for operating purposes and for permanent improvements from current revenue, and the debenture debt mill rate will be minimal. The uniform mill rate for operating purposes will not by itself result in any change in the total costs of education. But, as already pointed out, the phasing in of the target uniform mill rate and reassessment will result in some shift in the distribution of the tax load for education. Some property owners will have their taxes increased while others will be given some relief, both as a result of the move towards greater equity of tax-

ation.

During the phasing in of the target uniform mill rate over the period of approximately five years and the ultimate stabilization of the tax rate at the end of that time, there may be some shift of taxation from the local to the provincial level. If the total costs of education increase substantially that will be an inevitable result. But there will be certain other factors that will ameliorate the impact of any such development. Continued expansion will result in increased assessment at the local level that will produce additional revenues from the uniform mill rate. Declining enrolments will have an effect in the direction of limiting costs and consequently in the amount of any additional grants to be provided by the province.

The revenues from the discretionary mill rate of up to 1.0 mill at the elementary level and 0.5 at the secondary level will, in effect, replace the existing allowances provided by the portion of the expenditure weighting factor in excess of the grant weighting factor. The difference will be that each board will have a limit determined by its equalized assessment rather than by the arbitrary and complicated criteria now applicable. It will be easy to calculate the maximum amount that each board will be able to raise from local taxation under the proposed formula. The impact, in terms of any change in the total expenditures of all boards, will be limited. However, the new formula, without any changes in the limits of 1 mill and 0.5 mill, will provide additional resources per pupil as assessment increases and as enrolment declines.

The second part of the discretionary mill rate to enable boards to provide permanent improvements from current revenues will be limited to one-half mill on equalized assessment. Under present provisions, a board can raise up to one mill on equalized assessment for expenditures for items in four categories of permanent improvements. There is no stated limit for expenditures for other categories. The proposed new limit should result in some reduction in expenditures for permanent improvements from current revenues.

The debenture debt mill rate will have no effect on expenditures for this

purpose. Capital projects are already reviewed individually by the Ministry of Education for approval. Adoption of our earlier recommendation, that in future the province pay 100 per cent of the cost of approved instructional buildings, will result in a reduction in the debenture mill rate as outstanding debentures are retired over the next 20 years. New debentures for purposes for which grants are not paid may be issued by a few boards but there will be a decidedly limited need for expenditures under this heading.

CHAPTER 5

GENERAL LEGISLATIVE GRANTS

General legislative grants provide a substantial portion of the revenues that enable school boards to meet the costs of elementary and secondary education. Each year, the Ministry of Education puts forward to the Social Development Policy Secretariat and to the Management Board of Cabinet its request for the amount of money it considers should be provided for legislative grants and its recommendations for their distribution among school boards. These proposals are considered along with the submissions of all the other Ministries and a decision is made by the government about the amount of money to be made available to school boards. This figure is then incorporated in the Estimates of the Ministry of Education for presentation to the Legislature. When the Estimates are approved, the government has authority to pay the grants to school boards. The approved amount is payable during the government's fiscal year which is from April 1 of one year to March 31 of the next. The fiscal year for school boards and the municipalities in their jurisdictions coincides with the calendar year. There is, therefore, a three-month overlapping period between the two fiscal years.

Regulation - General Legislative Grants

Under The Ministry of Education Act, the Minister of Education has authority, subject to the approval of the Lieutenant Governor in Council, to make a Regulation¹ determining the manner in which the money, voted by the Legislature for general legislative grants, will be apportioned and distributed to school boards. The provisions of the Regulation are of the greatest significance for school boards and the municipalities in their jurisdictions. Not only do they determine the amount of the grants, but they also play an important part in deciding the total budget of the board. Because the board must raise by local taxation the difference between its budget and the amount of its legislative grant,

¹Regulation - General Legislative Grants 1974, Public, Separate and Secondary School Boards, Ontario Regulation 200/74, made under The Ministry of Education Act and issued by authority of the Minister of Education and approved April 3, 1974.

the amount of grant is an important factor in determining the expenditures of the board. With the introduction of the basic ceilings and grant and expenditure weighting factors, controlled assessment, equalization factors, subsidies, etc., the Regulation does, in effect, control the local mill rate for education. Consequently, the Regulation not only determines the amount of grant to be paid to a board, which was its traditional function, but it also places limits on the amount of taxes that may be raised locally.

Historically, the decision about the amount of the general legislative grants has been made by the government as part of the process by which it develops its budget. Consequently, the government has been able to make judgments about the amount of its grants in relation to the priorities it has established for programs in all its Ministries. While the Ministry of Education has stated that it is committed to a policy of providing grants to school boards sufficient to pay approximately 60 per cent of the total costs of elementary and secondary education, the government is still free to determine the level of its support above or below that percentage. Because it has several sources of revenue to finance its operations, the government has a degree of flexibility to enable it to adapt its contribution to meet the demands of increased expenditures.

It is only after the government has given effect to its decision, through the release of the grant Regulation, that a school board can calculate with accuracy, the amount it will receive from the Ministry of Education. When this figure is known, it is subtracted from the total proposed budget to arrive at a tentative amount to be raised through local taxation. If the result means a substantial rise in property taxes, the budget may have to be reduced to a more acceptable level. The significant point is that the residual amount between the budgeted expenditure and the legislative grants has to be provided by taxes on property. Therefore, since the government determines the amount of its grants, it also influences to a considerable extent mill rates and the amount of taxes to be raised locally. When these fluctuate from year to year, the problems of adjustment rest with school boards and municipalities that have little or no flexibility to enable them to accommodate the changes because they must

rely solely on revenues from the property tax.

We have already referred to the necessity to retain the property tax as a source of revenue for school boards, and to the limitations inherent in this form of taxation. When the regressive nature of the tax, its high visibility in the eyes of the public, the other demands made on it for essential municipal services in growth areas, and the necessity for expansion of these services in existing communities are all taken into account, the dilemma facing local authorities in their attempts to accommodate increased costs is evident. If the amount of a school board's requisition on a municipal council is increased in any year because of higher expenditures or because of a change in apportionment among municipalities, it becomes increasingly difficult to provide the additional sum. Many taxpayers feel that the maximum limit of taxation on residential property has already been reached, and for many homeowners on pensions or fixed incomes there is little doubt that this is true. The measures that have already been adopted by the province to alleviate the impact of local taxation on property are evidence that there is some awareness of this burden of the tax at its present levels.

Date of Release of Regulations

The time element involved in the development of the provincial budget and the fact that the province's fiscal year is from April 1 to March 31, usually mean that the Regulation dealing with general legislative grants is not available until school boards are well into their fiscal period based on the calendar year. In 1973, the Regulation was approved on February 21 and released on February 28. In 1974, it was approved on April 3 and released on April 4. In both years, these dates were long after the beginning of the fiscal year for school boards on January 1.

While it is true that the initial basic ceilings for 1974 were announced in August, 1973, and the weighting factors for 1974 on November 1, 1973, and while it is helpful to have this information in advance, it is not possible, in the absence of the Regulation regarding general legislative grants, to prepare a firm budget. For example, when the Regulation finally became available on April 4, 1974, it incorporated an increase of

\$21 per pupil over the basic ceilings announced in August, 1973. The application of the weighting factors to the new basic ceilings resulted in still greater increases for almost all boards. The merit of the adjustment is not at issue - only the date of its announcement.

Two other items that school boards require are the Assessment Equalization Factors, issued in a separate booklet as Schedule B to the Regulation regarding General Legislative Grants,² made under The Ministry of Education Act, and the separate Regulation dealing with Apportionment of Requisitions,³ made under The Secondary Schools and Boards of Education Act. In 1974, both of these were released on April 4, 1974. The inability of the province to make available, until well into the calendar year, the essential information contained in the Regulations creates many problems for school boards and the municipalities within their jurisdictions. Some of these problems are described in the following paragraphs.

The Grant Regulation and School Board Planning

It is most difficult for a school board to develop a realistic budget without definite information about the revenues to be provided through legislative grants. Since the amount of property tax to be imposed depends to a considerable extent on the amount of the legislative grant, a second unknown is introduced. The result is that many boards prepare tentative budgets that are substantially in excess of potential financial resources. This procedure is responsible, at least in part, for the annual criticism by a few boards that they have had to make substantial "cuts" to accommodate their expenditures to the limits imposed by the Regulation when it is finally released. In fact, the annual financial reports of these school boards show that there has been an increase each year over the previous year's expenditures. Therefore, in most cases, the so-called "cuts" are really revisions of draft budget consid-

²Assessment Equalization Factors, Schedule B of Ontario Regulation 200/74, approved April 3, 1974.

³Regulation - Apportionment 1974 Requisitions, Ontario Regulation 201/74, filed April 3, 1974.

erably in excess of the previous year's expenditures.

A second problem arises because of the adjustments in the budget made necessary well into a board's fiscal year. When the grant Regulation for 1974 was released on April 4, 1974, it permitted an additional expenditure of \$21 per pupil in excess of the basic ceiling announced originally in August, 1973. Presumably, school boards had operated for more than one-quarter of their fiscal year on a tentative budget that did not anticipate an expenditure level \$21 per pupil higher than originally established. Boards then had to consider the impact of the additional expenditure on the legislative grants and local tax rates. They also had to decide the purposes for which the additional funds might be used. Budgets are, therefore, often subject to hasty amendment without adequate consideration of the implications of changes, either from an educational standpoint or from a taxation point of view. Inevitably, decisions of poorer quality are made in a climate of urgency to finalize the budget than would be likely to occur if the information contained in the grant Regulation were known not later than the beginning of the fiscal year and preferably in advance of that date.

The importance of adequate planning in education by the Ministry of Education and school boards is difficult to exaggerate. But the lateness of the release of the grant Regulation precludes the possibility of realistic long-term planning by school boards and practically ensures delays, confusion, and waste of time, effort and money in the operation of the educational system. At a time when boards are being exhorted by the Ministry of Education to plan their programs three, four or more years ahead, they are unable to do so with any degree of certainty for even one year. It is somewhat anomalous that, at a time when many boards are desirous, and even anxious, to practise good planning, it is the Ministry that is responsible to a considerable extent for the inability of the boards to achieve this objective.

Apportionment of Board Requirements among Municipalities

When a school board has finally determined the amount of its estimates, it must submit the information to the council of each municipality, all

or part of which is included in the board's jurisdiction. Every board that is supported by assessment in two or more municipalities, or in one or more municipalities and territory without municipal organization, is required to apportion its estimates in accordance with the provisions of the Act under which the board operates, to indicate to the council of each municipality concerned the amount of the estimates to be raised by that municipality, and to submit a requisition to the council for that amount. The school Acts,^{4,5} set out the procedure for apportionment of the amount of the estimates to be raised in each municipality. In addition, provision exists in The Secondary Schools and Boards of Education Act⁶ for the Lieutenant Governor in Council to make regulations providing for the apportionment of the sums required by the divisional board for secondary school purposes and for public school purposes. For 1974, the relevant Regulation is entitled Apportionment 1974 Requisitions.⁷

The chief criterion used in the apportionment of the amount of the estimates to be raised by a municipality for public or secondary school purposes is equalized assessment. The share for each municipality is the ratio that the equalized assessment within the municipality bears to the total equalized assessment in the school board jurisdiction. Other factors that affect the apportionment are set out in the Regulation.

A somewhat different arrangement exists for the apportionment by separate school boards of the sum to be raised by municipalities with separate school supporters. The procedure is set out in The Separate Schools Act.⁸

Again, the late date for the release of the grant Regulation and the apportionment Regulation prevents the determination of the proportion of a

⁴The Secondary Schools and Boards of Education Act, Section 32, sub-sections (3) and (4).

⁵The Separate Schools Act, Section 68, Subsections (1) to (6) inclusive.

⁶The Secondary Schools and Boards of Education Act, Section 33, sub-sections (2) to (4) inclusive.

⁷Apportionment 1974 Requisitions, Ontario Regulation 201/74.

⁸The Separate Schools Act, Section 68, subsections (1) to (6) inclusive.

board's estimates to be raised by local taxation in a municipality until well into the board's fiscal year.

The Grant Regulation and Submission of Requisitions

Under the provisions of Section 77 of The Schools Administration Act, every public and secondary school board, except a divisional board of education, is required to submit on or before March 1 in each year to the council of each municipality in which, or part of which, the board has jurisdiction, a copy of its estimates for that year. The same date is applicable to a divisional board of education, but if it is unable to make a submission by the prescribed date, it may do so at a later date, as provided in subsections (2) and (3) of Section 31 of The Secondary Schools and Boards of Education Act. If, as a result of a later submission, the municipality must make a separate levy, it may request the board to make a payment of any additional cost involved. The fact that special provision is made for non-compliance with the original date by larger boards emphasizes the difficulties involved. Provision also exists for a separate school board to submit to the municipal council a request for a levy or mill rate on property liable to taxation for separate school purposes. The late date of release of the grant Regulation has meant that school boards have been unable to submit their requisitions to their municipal councils until well beyond the deadline of March 1. In 1974, some boards were unable to finalize their requests until the early part of May, more than a third of the way through the fiscal year for boards and municipalities.

The Grant Regulation and Municipal Councils

The late date of release of the grant Regulation by the Ministry of Education to the school boards and the resulting delay in completion of the budgets at the board level have secondary effects on municipal councils. Because municipal councils in a school board jurisdiction do not know the amount of the school board levy each will have to raise and because they have to take into account the total tax load to be borne by their taxpayers, they are often delayed in determining their tax rates for municipal purposes. The municipalities are deterred from the planning of

their own programs because of uncertainty about the amount of taxes they will be able to raise for their purposes in addition to those required for education.

There are a number of administrative problems for municipal councils that arise from the inability of school boards to indicate the amount of their requisitions earlier in the calendar year. The councils are unable to issue their tax bills and consequently taxes are not received as early as they might be. The resulting interest charges on money borrowed to finance the operation of the municipality or of the school board add to the costs of operation. While many municipalities have adopted the practice of issuing interim tax bills, this is not an adequate substitute for knowing early in the calendar year the tax amounts and the mill rates required to raise them. It would greatly facilitate the work of planning, decision-making, and administration by municipal councils if they knew by the beginning of the calendar year the amount of money to be raised through taxes for education during that year.

Possibility of Early Release of Grant Regulation

The problems that arise from the late release of the grant Regulation have been allowed to persist for many years without any real progress towards removal of the source of the difficulties. In spite of many attempts to issue the Regulation in time to have definite information available to boards to assist them in their planning, the situation has not improved and, in 1974, the Regulation was released at the latest date for several years. Recently, the Ministry of Education has been releasing in advance some of the provisions later incorporated in the grant Regulation. For example, one announcement in August, 1973, established the basic expenditure ceilings for 1974. A second announcement in November, 1973, provided the grant and expenditure weighting factors applicable in 1974. While these steps were of some help, they did not overcome the basic problem inherent in the late release of the Regulation on April 4, 1974. It would appear that, under the present procedures for the financing of education in Ontario, the possibility of having the essential information contained in the Regulation available soon enough to enable boards to plan and to prepare their budgets earlier and accurately is minimal. Elsewhere in

this Report we have made recommendations designed to remove, or at least to alleviate, the impact of the problems described above.

Amount of General Legislative Grant

General legislative grants are a major source of revenue of school boards (Table 24). In 1972, the expenditures of all boards totalled approximately \$1,956,460,000. The amount of the general legislative grants was \$1,155,191,000 or 59.05 per cent of the total. Almost all the remainder of \$801,269,000 came from local taxes on property. Over a period of years the percentage of the cost borne by legislative grants has fluctuated considerably. In the years immediately preceding 1945, it was about 15 per cent. In 1945, there was a substantial increase to 42.35 per cent. Beginning in 1947, the percentage declined until it reached a low of 29.53 per cent in 1956. It was 1964 before it again reached the level attained in 1945. In the years 1970 and 1971, the proportion of the costs paid through grants increased by 4.21 per cent and 5.36 per cent respectively, reaching 56.21 per cent of the total in 1971 and 59.05 per cent in 1972. The stated commitment of the government is to provide grants to meet 60 per cent of the total cost.

In 1972, the grants to Public School boards totalled \$424,615,000, to Roman Catholic Separate School boards \$262,743,000, and to Secondary School boards \$467,833,000. Based on enrolments on September 30, 1972, of 1,022,935; 422,166; and 583,013 respectively, for the three types of boards, the grant per pupil for the province as a whole averaged \$415; \$622; and \$802 respectively. The proportion of the expenditures of the three classifications of boards borne by legislative grants was 51.78 per cent for Public School boards, 81.78 for Roman Catholic Separate School boards, and 57.39 per cent for Secondary School boards.

Complexity of Grant Regulation

A great deal of criticism of the existing Regulation governing general legislative grants has its origin in the convoluted form in which it is presented and in the involved structure of the language used, in the minutiae that influence and control eligibility for grants and levels

TABLE 24
SCHOOL BOARD EXPENDITURES AND GENERAL LEGISLATIVE GRANTS
1942 to 1972

Calendar Year	P U B L I C				S E P A R A T E				T O T A L			
	Expenditure		Grant		Expenditure		Grant		Expenditure		Grant	
		Percentage				Percentage				Percentage		
1942	\$ 30,920,477	14.15	\$ 4,376,582		\$ 4,970,784		\$ 1,221,098		\$ 35,891,261		\$ 5,597,680	
1943	32,033,539	15.20	4,868,401		4,864,116		1,251,301		36,917,655		6,119,702	
1944	34,476,335	15.78	5,440,597		5,378,934		1,317,591		39,855,269		6,758,188	
1945	37,202,353	15.41	5,613,695		5,650,999		2,397,249		42,853,352		17,810,944	
1946	40,139,691	16.83	6,789,359		6,242,549		2,623,592		46,382,040		19,412,951	
1947	46,594,891	16.88	6,998,903		6,868,237		2,589,250		53,463,128		19,488,153	
1948	53,704,549	17.23	7,233,671		7,783,687		3,033,802		61,488,236		20,267,473	
1949	59,151,314	18.74	8,754,696		8,794,696		3,581,512		67,906,010		24,378,235	
1950	66,407,506	23.01	10,863,363		11,225,363		5,023,667		77,632,869		28,525,530	
1951	80,518,919	25.79	13,322,322		13,742,696		5,838,650		94,261,615		31,635,972	
1952	93,670,589	29.82	15,205,205		15,051,537		6,603,114		108,722,126		36,430,319	
1953	103,056,194	30.86	16,285,285		16,487,357		7,451,871		119,543,551		38,438,156	
1954	114,704,172	31.94	19,758,087		19,758,087		9,134,591		134,462,259		45,766,891	
1955	135,624,935	32.95	25,847,847		25,491,775		10,516,673		161,116,710		49,777,520	
1956	152,261,300	32.08	29,747,172		29,801,942		12,140,178		182,063,242		54,887,350	
1957	171,422,123	33.75	35,720,012		35,066,315		15,141,596		206,488,438		67,861,608	
1958	193,167,518	34.58	42,734,029		42,734,029		21,400,561		235,921,547		87,944,813	
1959	219,580,310	33.68	66,544,252		51,243,868		26,356,908		270,824,178		100,321,319	
1960	240,659,052	32.54	78,305,517		58,341,349		29,397,037		299,000,401		107,702,554	
1961	258,865,872	33.66	87,135,917		65,868,789		34,440,679		324,734,661		121,576,596	
1962	274,531,633	35.48	87,135,917		74,971,736		41,200,455		349,503,369		138,590,992	
1963	284,151,606	37.29	105,952,784		77,041,278		48,053,197		361,192,884		154,005,981	
1964	314,285,000	38.03	119,514,000		94,449,000		65,888,000		408,734,000		185,402,000	
1965	347,054,000	37.32	129,521,000		109,788,000		76,529,000		527,084,000		238,596,000	
1966	396,930,000	37.43	148,552,000		130,154,000		90,044,000		618,718,000		292,937,000	
1967	456,422,000	37.84	172,688,000		162,196,000		120,249,000		678,963,000		368,818,000	
1968	551,066,000	40.05	226,684,000		197,897,000		148,134,000		754,029,000		426,809,000	
1969	627,141,000	40.64	254,892,000		226,888,000		171,917,000		854,029,000		511,440,000	
1970	711,968,000	42.69	303,930,000		263,177,000		207,510,000		975,145,000		601,414,000	
1971	759,025,000	48.23	366,052,000		292,760,000		235,362,000		1,051,785,000		687,358,000	
1972	820,047,000	51.78	424,615,000		321,271,000		262,743,000		1,141,318,000		785,000,000	

Source: Reports of the Minister of Education with figures adjusted for purposes of comparison.

TABLE 24 (CONTINUED)
SCHOOL BOARD EXPENDITURES AND GENERAL LEGISLATIVE GRANTS
1942 to 1972

Calendar Year	E L E M E N T A R Y				S E C O N D A R Y				Total Elementary and Secondary			
	Total Elementary		Secondary		Total Elementary		Secondary		Expenditure		Grant	
	Expenditure	Grant	Percentage		Expenditure	Grant	Percentage		Expenditure	Grant	Percentage	
1942	\$ 35,891,261	\$ 5,597,680	15.60		\$ 17,053,819	\$ 2,012,217	11.80		\$ 52,945,080	\$ 7,609,897		
1943	36,917,655	6,119,702	16.58		17,271,477	1,984,695	11.49		54,189,132	8,104,397		14.37
1944	39,855,269	6,758,188	16.96		17,944,262	2,063,208	11.50		57,799,531	8,821,396		15.26
1945	42,853,352	17,810,944	41.56		19,673,618	8,667,969	44.06		62,526,970	26,478,913		42.35
1946	46,382,040	19,412,951	41.85		22,017,952	9,883,576	44.89		68,399,992	29,296,527		42.83
1947	53,463,128	15,488,153	36.45		25,336,336	10,723,572	42.33		78,799,464	30,121,725		38.34
1948	61,488,236	20,267,473	32.96		28,698,045	12,318,062	42.92		90,186,281	32,585,535		36.13
1949	67,908,010	24,378,235	35.90		32,193,261	13,220,202	41.07		100,099,271	37,598,437		37.56
1950	77,632,869	28,525,530	36.74		35,404,022	14,141,891	39.94		113,036,891	42,667,421		37.75
1951	94,261,615	31,635,972	33.56		42,178,906	15,727,445	37.29		136,440,521	47,363,417		34.71
1952	108,722,126	36,430,319	33.51		48,891,066	17,548,308	35.89		157,613,192	53,978,627		34.25
1953	119,543,551	38,438,156	32.15		51,916,371	19,453,389	37.47		171,459,922	57,891,545		33.76
1954	134,462,259	45,766,891	34.04		58,751,193	22,200,115	37.79		193,213,452	67,967,006		35.18
1955	161,116,710	49,777,520	30.90		76,208,966	22,584,611	29.64		237,325,676	72,362,131		30.49
1956	182,063,242	54,887,350	30.15		86,103,855	24,302,130	28.22		268,167,097	79,189,480		29.53
1957	206,488,438	67,861,608	32.87		99,709,745	29,115,931	29.20		306,198,183	96,977,539		31.67
1958	235,921,547	87,944,813	37.28		117,359,610	40,381,114	34.41		353,281,157	128,325,927		36.32
1959	270,824,178	100,321,319	37.04		139,770,695	48,264,763	34.53		410,594,873	148,586,082		36.19
1960	299,000,401	107,702,554	36.02		155,623,200	51,259,978	32.94		454,623,601	158,962,532		34.97
1961	324,734,661	121,576,596	37.44		177,960,689	59,969,896	33.70		502,695,350	181,546,492		36.12
1962	349,503,369	138,590,992	39.65		200,318,988	61,863,827	30.88		549,822,357	200,454,819		36.46
1963	361,192,884	154,005,981	42.64		221,967,844	76,038,948	34.26		583,160,728	230,044,929		39.45
1964	408,734,000	185,402,000	45.36		264,918,000	100,339,000	37.88		673,653,000	285,741,000		42.42
1965	456,842,000	206,050,000	45.10		300,992,000	119,911,000	39.84		757,834,000	325,961,000		43.01
1966	527,084,000	238,596,000	45.27		331,363,000	140,090,000	39.87		878,447,000	378,686,000		43.11
1967	618,718,000	292,937,000	47.35		429,424,000	167,663,000	39.04		1,048,142,000	460,600,000		43.94
1968	748,963,000	368,818,000	49.24		513,417,000	188,589,000	36.73		1,262,380,000	557,407,000		44.16
1969	854,029,000	426,809,000	49.98		603,025,000	252,777,000	41.92		1,457,054,000	679,586,000		46.64
1970	975,145,000	511,440,000	52.45		685,876,000	333,139,000	48.57		1,661,021,000	844,579,000		50.85
1971	1,051,785,000	601,414,000	57.18		749,470,000	411,090,000	54.85		1,801,255,000	1,012,504,000		56.21
1972	1,141,318,000	687,358,000	60.23		815,142,000	467,833,000	57.39		1,936,460,000	1,155,191,000		59.05

Source: Reports of the Minister of Education with figures adjusted for purposes of comparison.

of expenditure, and the almost unbelievable complexity of the calculations by which the amounts of grants and expenditure are determined. An example that illustrates the complexity of the Regulation⁹ is taken from the 1974 provisions and reads as follows:

Part 1

Limitation on Ordinary Expenditure

"7.-(1) The ordinary expenditure for 1974 of a board, other than an isolate board and a board appointed under subsection 1 of section 12 of The Public Schools Act or under section 4 of The Secondary Schools and Boards of Education Act, shall be limited to the sum of the eligible sum for French-language instruction for 1974, the expenditure for tuition fees for 1974, and the product obtained by multiplying the adjusted average daily enrolment for 1974 by the greater of,

(a) the product of,

(i) \$704 in the case of an elementary school pupil, or \$1,231 in the case of a secondary school pupil, and

(ii) the expenditure weighting factor for 1974; and

(b) the product of,

(i) 1.11746 in the case of a public or separate school board, or 1.08938 in the case of a secondary school board, and

(ii) the greater of,

a. the quotient obtained by dividing the product calculated under subclause i of clause b of subsection 1 of section 7 of Ontario Regulation 80/73 by the sum of the adjusted average daily enrolment for 1973 and the increase in average daily enrolment for French-language instruction for 1973, both as defined in Ontario Regulation 80/73, and

b. the lesser of the amounts determined under sub-subclauses a and b of subclause i of clause a of subsection 1 of section 7 of Ontario Regulation 80/73,

⁹ Regulation - General Legislative Grants 1974, Ontario Regulation 200/74, Part 1, Section 7, subsection (1), pp. 9-10.

less such portion as the Minister may determine of the amount that is included in the supplementary expenditure for 1973 of the board under clause vii of paragraph 34 of section 1 of Ontario Regulation 80/73"

It appears that the grant Regulation is now made up, at least in part, of an accretion of provisions that had their origin in conditions that prevailed in the past. In any case, the Regulation is incomprehensible to most trustees, almost all taxpayers, and the great majority of members of the teaching profession. It is also the source of considerable misunderstanding and confusion about the means by which education is supported through taxation. Some of the provisions that illustrate the difficulties are considered in the next sections of this chapter.

Enrolment for Grant Purposes

The grant Regulation provides that enrolment for grant purposes for a board in any year is based on the sum of the actual enrolment of resident pupils in its schools on the last school day of September of the previous year, the actual enrolment of pupils who reside in the board's jurisdiction but who attend schools operated by other boards and for whom the board is responsible for fees, and a supplementary allowance of 50 per cent of the enrolment of trainable retarded children. The enrolment for grant purposes for a board in 1974 is, therefore, based on data of September 28, 1973. Consequently, pupils who discontinue school at any time from October 1, 1973, to December 31, 1974, do not enter into the calculations to determine the enrolment for grant purposes in 1974. Actual enrolment for many boards is declining in 1974. But because of the use of data from 1973, these boards have an inflated enrolment for grant purposes over the actual enrolment for which education is being provided in 1974.

Enrolment for grant purposes for a board in 1974, using the data for 1973, has a bearing on the further calculations to determine the "assessment per weighted pupil for 1974", the "assessment index" of the board, and ultimately the rates of grant that the board receives on its recognized ordinary expenditures and its recognized extraordinary expenditures. The effect of using the enrolment data from 1973 is twofold. For a board with a decline in enrolment in 1974 over 1973, the rates of grant will be at

a higher level than the actual data for 1974 would have permitted. For the few boards that show an increase in enrolments in 1974 over 1973, the rates of grant will be lesser than the 1974 figures would have permitted.

The intent of the use of enrolment data from 1973, to determine enrolment for grant purposes for 1974, is to provide additional grants for boards with declining enrolments. This in turn enables these boards to adjust their budgets over a longer period of time than the current year. The real effect is that for many boards additional grants per actual pupil are provided. But for those fewer boards where enrolments are still increasing, the use of data from 1973 imposes on them the necessity to finance the education of more pupils at lesser rates of grant than use of enrolment figures in 1974 would justify.

Given the general procedures prescribed by the grant Regulation, it would be more equitable for a board with a decline in enrolment in 1974 over 1973 to be permitted to use the data from September, 1973, to determine the enrolment for grant purposes in 1974, and for a board with an increase in enrolment in 1974 to use the enrolment data for the current year. It is our view, however, that the actual circumstances as they exist in the current year ought to be the basis for determination of the rate of grant for all boards. The use of enrolment figures that are no longer applicable in the current year is unrealistic and the results inequitable.

Recognized Ordinary Expenditure

The recognized ordinary expenditure for a board is the amount of its expenditures on which grants are paid at the board's applicable rate of grant. In 1974, the calculation includes the eligible sum for French-language instruction. Two possibilities for determination of the remaining amount are possible. By the first method, the ordinary expenditure for 1974 is used. By the second method, expenditures for tuition fees for 1974 are added to the product of

- (a) the adjusted average daily enrolment for 1974, and
- (b) \$704 at the elementary level or \$1,231 at the secondary level, and
- (c) the grant weighting factor for 1974.

The lesser amount calculated by the two methods is used. This result is added to the eligible sum for French-language instruction to arrive at the total recognized ordinary expenditure.

The adjusted average daily enrolment for 1974 is made up of the sum of the average daily enrolment for 1974, an additional allowance of 50 per cent of the average daily enrolment of trainable retarded children, and an allowance of 60 per cent of the excess of the average daily enrolment in 1973 over the average daily enrolment in 1974. The latter allowance means that, if there is a decline in a board's average daily enrolment in any year, the board is eligible to receive grants on expenditures as if 60 per cent of the decline in the average daily enrolment had not taken place. This provision is designed to protect the board, during a period of shrinking enrolments, against the necessity to make a substantial adjustment in its budget during its fiscal calendar year.

Presumably, the allowance is placed at 60 per cent of the decline because schools are usually organized on the basis of enrolment in the previous September. The expectation is that the organization will be maintained throughout the school year to the end of June. Consequently, it is considered that the same number of teachers will be required until June 30 of the board's fiscal year. A reorganization, taking into account the board's reduced enrolment, can then be introduced the following September. The allowance of 60 per cent is certainly the maximum that should be made. It assumes that no economies of any kind can be effected as a result of a reduction in enrolment. While there is less possibility of a reduction of costs through reorganization at the secondary level during the period January to June, the large elementary school has a greater degree of flexibility in terms of possible adjustments to reduced enrolment. In both cases, however, some savings should be possible. As long as the maximum of 60 per cent of the decline in enrolment is recognized, there is little incentive towards economy.

Rate of Grant on Recognized Ordinary Expenditures

Each year the Ministry of Education determines, in accordance with the provisions of the grant Regulation, the percentage rate of grant on recog-

nized ordinary expenditure that will be applicable to each school board. The main principle involved is that the rate of grant is based on the board's ability to pay as revealed by the relationship of the board's equalized assessment per weighted pupil to the equalized assessment per weighted pupil for a board of "average wealth". There are several steps in the calculation. The assessment for each local municipality within the board's jurisdiction is translated into an equalized assessment by application of the municipality's assessment equalization factor provided by the Ministry of Education. The sum of these equalized assessments is the equalized assessment of the board. The latter amount is divided by the weighted enrolment to secure the equalized assessment per weighted pupil. This amount is divided by the assessment per weighted pupil for a board of "average wealth" to determine the board's assessment index.

In 1974, an elementary school board of average wealth is considered to have an equalized assessment per weighted pupil of \$54,600, while at the secondary level the amount is \$125,400. The rate of grant for a board of average wealth was set at 62 per cent for 1974. The rate of grant for each board is calculated by multiplying 38.0 by the board's assessment index and subtracting the result from 100. The calculation in 1974 for an elementary school board using hypothetical base data is illustrated by the following example:

Calculation of Rate of Grant in 1974

1. Equalized assessment of board	=	\$90,000,000
2. Enrolment for grant purposes x grant weighting factor	=	2,150
3. Equalized assessment per weighted pupil: \$90,000,000 ÷ 2,150	=	\$ 41,860
4. Assessment for board of average wealth	=	\$ 54,600
5. Assessment index for board: \$41,860 ÷ \$54,600	=	.76667
6. Percentage rate of grant for board of average wealth	=	62.0%
7. Percentage rate of grant for board on recognized ordinary expenditure: 100 - (38.0 x .7667) = 100 - 29.1333	=	70.867%

The changes in each of the equalized assessment per weighted pupil and the rate of grant for a board of average wealth for the years 1972 to 1974 inclusive are shown below:

Equalized Assessment Per Weighted Pupil

<u>Year</u>	<u>Elementary</u>	<u>Secondary</u>	<u>Percentage Rate of Grant on Recognized Ordinary Expenditure</u>
1972	\$48,500	\$118,000	63.5
1973	52,500	123,500	63.5
1974	54,600	125,400	62.0

The data reveal that, for an elementary board of average wealth, the equalized assessment per weighted pupil has been increasing. There was a substantial rise of \$4,000 per weighted pupil between 1972 and 1973 and of \$2,100 between 1973 and 1974. At the secondary level, the increases for the corresponding years were \$5,500 and \$1,900 respectively. Two factors that account in part for these changes are the decline in enrolment at the elementary level and the increase in equalized assessment at both levels.

It is significant that the rate of grant on recognized ordinary expenditure for a board of average wealth was 63.5 per cent in each of the years 1972 and 1973 but that for 1974 it has been reduced to 62.0 per cent. Presumably, the reduction of 1.5 per cent in 1974 will still mean that the percentage of the total costs of education paid by legislative grants in 1974 will reach 60 per cent. However, it will not be possible to determine if this is so until the actual data for 1974 are available well into 1975.

Under present methods for the calculation of legislative grants, the principle, whereby the rate of grant varies inversely in relation to the wealth of the board, as determined by equalized assessment per weighted pupil, has merit. It recognizes that a board of greater wealth can pay a larger portion of its costs than can a board of lesser equalized assessment. However, the validity of the use of the weighted pupil in the determination of the assessment index is open to question because of the

multiplying effect arising from the application of the grant weighting factor to the enrolment for grant purposes. The use for grant purposes of enrolment from the previous September raises a further question in terms of the relevance of the data to actual circumstances.

A more important criticism is the great complexity of the calculations necessary to determine a board's rate of grant. Few persons, except those officials whose specific responsibility it is to calculate the rate of grant for a board, understand the procedures and their implications. Certainly, the great majority of school trustees and almost all taxpayers have little or no knowledge of the means by which the amount of the legislative grants for a board is determined. This is an undesirable circumstance and not suprisingly is the cause of misunderstanding, confusion and recriminations among representatives of the Ministry of Education, school boards, teachers, and the general public. It is our view that changes are necessary in the direction of greater simplicity in the determination of the amount of financial support from the province to school boards. The positive effects on the functioning of trustees, officials, teachers, and the public in the interests of education could be substantial. Our proposals to overcome the existing difficulties are described in detail elsewhere in this Report.

Rates of Grant on Recognized Extraordinary Expenditure

The rates of grant on certain recognized expenditures, designated as "extraordinary", are higher than the rate of grant applicable to the same board on its recognized ordinary expenditure. Extraordinary expenditures in any year are normally made for pupil transportation and for payment on principal and interest of debentures issued to finance the construction of school buildings. For purposes of calculation of grants, expenditures for these two purposes are combined. Grants on expenditures up to a stated level are calculated at the first percentage rate and on expenditures beyond that level at a higher percentage rate. At the elementary level the limit is \$60 per weighted pupil and at the secondary level \$90 per weighted pupil. For a board of average wealth the first rate is 75 per cent and the second 95 per cent.

If the basic data used in the illustration to show the calculation of the rate of grant on recognized ordinary expenditure were used and the necessary additional data provided, the determination of the rates of grant on recognized extraordinary expenditure for the same board can be shown by the following calculations:

1. Equalized assessment of board	=	\$90,000,000
2. Enrolment for grant purposes x grant weighting factor	=	2,150
3. Equalized assessment per weighted pupil	=	\$ 41,860
4. Assessment for board of average wealth	=	\$ 54,600
5. Assessment index of board	=	.76667
6. Recognized extraordinary expenditure	=	\$ 429,000
7. First rate of grant: 100 - (25 x .76667) = 100 - 19.167	=	80.833%
8. Second rate of grant: 100 - (5 x .76667) = 100 - 3.833	=	96.167%
9. Amount of grant at rate of 80.833 per cent: 2,150 x \$60 = \$129,000 x 80.833	=	\$104,274.57
10. Amount of grant at rate of 96.167 per cent: \$429,000 - \$129,000 = \$300,000 x 96.167	=	\$288,501.00
11. Total grant on recognized expenditure of \$429,000 = \$104,274.57 + \$288,501.00	=	\$392,775.57
12. Percentage of recognized extraordinary expenditure paid by grant: $\frac{\$392,775.57}{\$429,000.00} \times \frac{100}{1}$	=	91.6%

Proposal for Determination of Grants

We propose a substantial revision in the basis for determining the amount of the legislative grants payable by the province to school boards. At the present time, the Ministry of Education decides each year the amount it will pay in grants and boards are left to raise by local taxation the difference between this amount and their net expenditures. It is our view that these positions should be reversed and that school boards should contribute the revenues from a uniform mill rate on equalized assessment as described earlier in this Report. The Ministry of Education should then provide through grants the difference between the revenues derived from this source and the expenditures up to the established basic uniform

expenditure per pupil for all boards.

It would take a number of years to achieve full implementation of this proposal. Progress towards payments by the province of the residual amount between the revenues derived from the uniform mill rate and the basic uniform expenditure limit should be made over a period of five years in conjunction with progress towards achievement of the uniform mill rate over a comparable period of time.

Benefits of Proposal for Determination of Grants

Our proposal would overcome many of the problems and difficulties that arise from the existing methods of financing education. Any increase in the costs of education, within the basic uniform expenditure limits, that was not financed by revenues from the uniform mill rate, would be paid by legislative grants. The result would be stability in the contribution to be provided from taxes on property. Even with a uniform mill rate for education, however, the amount of the taxes on property would increase if assessments increased, unless the uniform mill rate were decreased correspondingly to provide the same amount of taxes as before reassessment. But at least the variable of fluctuating mill rates and the resulting effect on the amount of local taxes would be removed. The stability in taxation on property would be a boon to those in residential accommodation and particularly to those persons on fixed incomes who are striving to maintain their homes.

The transfer of any increase in the cost of education from local property to the province would mean that the additional sum would be provided from the more varied and more buoyant tax sources available to the province. As a result, there would be some reduction of the strain on the single, inflexible tax source available to school boards and municipalities.

From a planning standpoint, the benefits would be substantial. School boards would know the amount of their revenues from local taxation for their fiscal calendar year as soon as the assessment rolls were returned in the fall of the previous year. The Ministry of Education,

through detailed studies undertaken on a continuing basis during the preceding year, would have the information necessary to permit determination of realistic basic uniform expenditure levels to be permitted in the current year. These limits could be announced well before the start of the fiscal year for school boards.

It would then be possible for school boards to plan school programs within realistic and firm expenditure limits and to have this planning complete before the beginning of the fiscal year on January 1. Municipal councils would, at an early date, know within narrow limits the rate of taxation for education and could plan their programs with full knowledge of the impact of these programs on the total tax rate.

Under our proposal, many administrative improvements would be possible. Much of the existing administrative work could be reduced or eliminated, bureaucratic requirements could be lessened, and procedures simplified. For example, the Regulation dealing with apportionment of the school board levy among its municipalities would no longer be necessary since all municipalities would pay the same mill rate on their equalized assessments. The municipality's share of the requisition would be the amount that the uniform mill rate raised. As a matter of fact, it would not be necessary for the school board to make a requisition in dollars on its municipal councils. All the board would have to know is the amount of the equalized assessment for each municipality from which it could calculate its revenues from that source. The municipal council would automatically apply the uniform mill rate and forward to the board the amounts raised on that rate.

Certain sections of the Statutes could be eliminated. For example, Section 32, subsections (3) to (12) inclusive, of The Secondary Schools and Boards of Education Act, dealing with the appointment of arbitrators to determine allocation of requisitions among municipalities would no longer be needed. It would be possible to remove, or at least to simplify, the procedures for the payment of fees by a board for its resident pupils attending schools in another board's jurisdiction. For the cost within the basic uniform expenditure limit it would not be necessary to charge a fee at all since the cost of education within that limit would not impose any

additional tax burden on the board providing the education for the non-resident pupil. Where a board was providing education for a non-resident pupil, its revenue would go up by the amount of the basic uniform expenditure permitted. This sum would be received from the Ministry of Education in grants. At the same time, the amount the Ministry would have to pay in grants to the board having jurisdiction in the area where the child lived would be reduced correspondingly.

There would, however, be a small number of exceptions that would still require the payment of some fees. For example, where a board was providing an expanded program or additional services financed wholly by local taxation through its discretionary mill rates, it would have to receive some compensation from the board sending a pupil to it. The amount payable by the sending board would be the supplementary expenditure per pupil made by the first board from funds derived from its own discretionary mill rates. In the case of pupils for whom the Federal government has responsibility to provide education, it would be necessary for boards receiving these pupils to continue to collect fees. The need to provide for these exceptions would still allow a considerable reduction in the extent and complexities of the procedures at present involved in the determination of the amount of fees, in the provision for their payment, and in the calculation of grants.

There would be other substantial benefits to be derived from implementation of our proposal through reduction of the complexity of the existing grant Regulation. Many of the present provisions could be eliminated entirely. For example, all the calculations associated with the determination of the rate of grant for a board would become unnecessary. The procedures for determination of the amount of the grants to school boards would be easily understood by trustees, teachers, officials and the tax-paying public. The understandings that would occur would have positive implications for the maintenance of the independence of school boards.

Our Proposal and Property Exempt from Taxation

In Chapter 3, that deals with assessment, there is an analysis of the amount of assessment exempt from taxation. The legislation that permits

exemptions is under the control of the province while the effects of non-taxation are borne by the municipalities and school boards through loss of tax revenues at the local level. Under our proposal for a uniform mill rate on equalized assessment to finance the board's basic operating costs, it would not matter to school boards whether properties were exempt from taxation for education or not. Where assessment was exempt, it would mean that the province would have to make up the lost revenues. This would eliminate problems in the financing of education for some municipalities where there is a disproportionate amount of assessment not subject to taxation as, for example, in the City of Kingston. In making this observation, we are aware that under present procedures assessment exempt from taxation is not used in the determination of the assessment per pupil for purposes of calculating the rate of grant to a board on approved expenditures.

While we have identified many other positive results that stem from our proposal for the payment of legislative grants, we believe that we have made reference to a sufficient number and that it is unnecessary to go into greater detail in this Report.

Boards on Tax-Exempt Land

There are a number of school boards appointed under subsection 1 of Section 12 of The Public Schools Act or under Section 4 of The Secondary Schools and Boards of Education Act. These boards have been established for large military centres at Camp Borden, Fort Henry, Petawawa and for a number of smaller bases across the province. In the past, a number of other boards have been created to provide education for children of employees of The Hydro-Electric Power Commission of Ontario working on new power projects in remote areas. The boards associated with the military and with Hydro are paid a grant of 50 per cent of their net cost of operating for the current year, as defined in Part 7 of the Regulation¹⁰ governing general legislative grants. No grants are paid by the province on expenditures for school buildings, for the purchase of school buses, or other capital amounts. The land in military establishments is

¹⁰Regulation - General Legislative Grants 1974, p. 12.

owned by the Department of National Defence and is, therefore, not taxable for education purposes. In the case of The Hydro-Electric Power Commission of Ontario, the property involved has usually been Crown land turned over to the Commission for purposes of development of a Hydro project. It is also not taxable for the support of education. Given the special nature of the activities in these two types of establishments and the responsibility of the province to provide education, the agreement whereby the net approved operating costs for education are divided equally between the controlling agency and the Ministry of Education, seems like a reasonable arrangement.

There is, however, one anomaly that arises because of the limitation on ordinary expenditure applicable to divisional boards and combined Roman Catholic Separate School boards. These boards must not spend beyond the limits imposed by the basic ceilings modified by the weighting factors. The boards on National Defence and Hydro property are under no such limitation. They can determine expenditure levels beyond the limits imposed on other boards, even though several of the National Defence schools in large military establishments are equivalent in size to many schools under divisional or combined Roman Catholic Separate School boards. If the Federal government wishes to provide one or more of its boards with additional funds beyond the maximum expenditure limits established by the province, it should be permitted to do so. But for grant purposes, the province should recognize only the expenditures up to the limits applicable to other boards. Only in this way will equity be achieved when grants are provided by the province from taxes raised from its taxpayers. In the case of Hydro, the anomaly has no significance since only one board - S.S. No. 1 Pinard at Fraserdale - is operating a school and, if it were not a Hydro board, it would be classified as an isolate board.

Other boards, appointed under the Statutes referred to earlier, provide education for children in a sanatorium, a hospital, a crippled children's treatment centre, or a centre for the treatment of cerebral palsy. These boards receive grants on a different basis than do other boards in the province. In general, the grant is made up of 80 per cent of the instructional salaries for the current year; 80 per cent of the expenditure approved by the Minister for transportation of pupils and for board, lodg-

ing, and weekly transportation of pupils; and 50 per cent of some of the remaining costs as provided for in the Regulation.¹¹ Most of these boards have small enrolments with a very low teacher:pupil ratio because of the special circumstances that apply to their operation.

While there may be some positive reasons to vest authority for the provision of education for children in these special institutions in an appointed school board, there are also significant disadvantages to this organizational arrangement. With two or three possible exceptions, the educational program could be conducted by a school board having jurisdiction in the municipality where the institution providing treatment is located. If this were done, there could be closer liaison between the teachers in the special institution and other teachers, particularly those in special education, employed by the larger school board in the municipality. Substantial assistance in other areas of expertise and service could also be made available by the larger board with little additional commitment. It is quite possible, too that some economies could be effected, at least in administrative services.

It might be necessary, if a larger board in a municipality assumed responsibility for the special classes, for the Ministry of Education to pay the full cost of education in these institutions. This would be completely justifiable since the children who receive treatment in these centres come from many parts of the province and are located in buildings that are not taxable for education purposes.

In any case, while we do not propose to make a separate recommendation about the appointment of boards in treatment centres, we believe that the Ministry of Education ought to encourage the inclusion of the conduct and administration of classes in each of these institutions within the organization of the school board in the municipality where the institution is located. The Ministry should also give sympathetic consideration to the payment of grants to a board that is responsible for these classes in an amount equivalent to the total net approved expenditure.

¹¹Ibid., p. 13.

One of the important characteristics of the operation of schools in treatment centres has been the interest shown by citizen volunteers. Any change in organization for the administration of treatment centre schools should provide for continuation of the substantial benefits that derive from citizen involvement.

Isolate Boards

An "isolate board" is an elementary school board that has not been included in a divisional board or a combined separate board and that has a total enrolment on the first school day of the calendar year of 300 or fewer. Isolate boards are financed on a different basis than other boards. Each board receives in grant the difference between its net revenue fund expenditure that is acceptable to the Minister of Education and the amount of taxes raised by seven mills on its equalized assessment. For these boards, the Ministry of Education accepts the principle that it will make up in grants the difference between the taxes derived from a uniform mill rate and the actual approved cost.

Because of the great variations that exist among isolate school boards in circumstances and resources and because of the complexities involved in development of a common grant Regulation applicable, for example, to a school board operating one classroom in the North and a large city board in the South, we endorse the present method of financing the isolate boards. We have recommended the application of the principle to all other boards - that the Ministry of Education pay in grants the difference between the revenues from a uniform mill rate and the maximum net expenditure for current operating costs. In our recommendations, however, we have proposed the establishment of a basic uniform expenditure per pupil applicable to all boards, rather than leaving the maximum amount to the discretion of the Ministry of Education. Whether the uniform rate for isolate boards ought to be seven mills is open to question. Since it applies to all expenditures of the board, it is probably reasonable. Comparisons should be made with other boards when they have reached a uniform mill rate on equalized assessment and when the impact of the discretionary mill rate and debenture debt mill rate are added to the uniform mill rate. In the meantime, we believe that isolate boards should continue to be funded by

the present method.

Provincial Share of Costs of Education

It has been suggested from time to time that the province should provide through general legislative grants a larger proportion of the funds necessary to meet the expenditures on education made by school boards. The present level of grant of approximately 60 per cent of the total costs of education should in our view be the minimum provided by the central authority. There are compelling reasons for increasing the percentage beyond this minimum level. Two examples will serve to illustrate the need.

Many property owners, especially those on fixed incomes, cannot afford increased taxation for education if they are to retain their homes. The combination of inflated prices for houses and unprecedented high interest rates for mortgages make the financing of a home a substantial financial burden for most young families. Many of them are unable to pay higher taxes for education without real hardship. One step that has been taken to alleviate the impact of property taxes is the provision of tax credits in connection with income tax returns. While this measure offers some relief, it does not solve the problems created by escalating property taxes. Certain other classes of taxpayers receive from the province reimbursement of a substantial proportion of the local property tax. In recent years, the province has adopted a multiplicity of these administrative devices designed to ease the burden of taxes on property but many of the difficulties have not been overcome.

In spite of demands on its financial resources for support for a wide range of programs in other areas, the province is in a better position to pay any necessary increase in the costs of education than are school boards and municipalities. These bodies are also subject to substantial pressures for new programs and expanded services. With their existing obligations to the financing of education, many of them are incapable of any extension of their present levels of operation and at least some of them have already over-extended themselves in relation to the resources available to them. While the revenues of the province are subject to a considerable degree to fluctuations in the economy, they have remained

buoyant. In addition, provincial income is derived from a variety of sources. School boards and municipal councils, however, must depend on the property tax which lacks buoyancy and which is the sole or only significant source of funds at the local level.

In these circumstances, the really important question is the level of support between a minimum of 60 per cent and the maximum of 100 per cent of the total costs of school boards that the province should provide through legislative grants. Other jurisdictions have developed new patterns for the funding of education. Some years ago, New Brunswick decided to pay the total cost of education in that province from its revenues, including funds derived from the property tax. In Alberta, the government recently announced that it intends to pay 100 per cent of the cost of education. While most States in the United States are seeking new methods of financing education, the great majority still consider this a joint responsibility of the State and the local authority.

A major argument against payment of 100 per cent of the costs of education by the province is the possibility of the loss of independence by school boards. There is concern that, when the level of support from the central authority becomes "too great", school boards will lose their freedom to provide a good educational program designed to meet the needs, interests and desires of the local community. It is our view that there is real substance to this position. We believe that the quality of education in this province depends to a considerable extent on involvement of trustees, parents, taxpayers, community organizations, teachers, and other groups in the making of decisions that affect programs, costs, methods of financing, and the like. We are convinced, therefore, that the province should not assume responsibility for payment of 100 per cent of the current operating costs of school boards.

Even if it were educationally desirable for the province to pay 100 per cent of the costs of education, it would be economically unrealistic to propose that this be done. In 1972, school boards received almost \$800 million in direct revenues from the property tax. Under ex-

isting circumstances, it would be practically impossible for the province to increase its revenues from other tax sources to enable it to compensate school boards for the loss of the property tax for education. The combination of undesirability from an educational standpoint and of practical impossibility from a taxation point of view should ensure that the province will not assume responsibility for the whole cost of education in Ontario and that funding will remain a function of school boards with substantial support from the province.

It is difficult to determine the exact level of financial support from the province beyond which the independence of school boards is diminished or lost. For many years prior to 1969, a large number of boards received grants at a rate in excess of 90 per cent of their recognized operating expenditures. No real threat to the independence of these boards was evident. While there were many circumstances that enabled them to maintain a considerable degree of independence, a few factors were of particular significance. A substantial number of boards had jurisdiction over small geographic areas, their enrolments were limited, and their budgets restricted. There were so many boards that it would have been difficult for a central authority to scrutinize their operations closely, even if it had wished to do so. A small number of boards in the largest cities had such large assessments that their rates of grant were relatively low. The degree of independence that these boards enjoyed almost guaranteed to other boards with high rates of grant a greater freedom than they might otherwise have attained because the Statutes and Regulations governing the operations of all boards were substantially the same.

But, most important of all, there was, in the latter part of the 1960s, a developing philosophy in the then Department of Education that encouraged a greater degree of independence on the part of school boards and the assumption by them of increased responsibility for decision-making in matters that affected their local communities. With the creation of the larger boards on January 1, 1969, a further impetus was given to an extension of that freedom and responsibility. These developments occurred at a time when the proportion of the total costs of education provided by the province was increasing. Consequently, it is our view that assumption by the province of a somewhat larger share of

the cost of education than the present 60 per cent need not necessarily lead to the imposition of greater control by the Ministry of Education. To deny that the possibility of reduced freedom for school boards exists would be to ignore recent developments in education of Ontario. Much depends on the perception of the role of the central authority as seen by those who have responsibility for determining that role.

In spite of the possibility of greater control by the Ministry of Education, it is our view that some increase in the proportion of the cost of education borne by the province is essential. But we also believe that any increase in the level of grants from the present 60 per cent of total costs should be allocated in a manner designed to minimize the possibility of any extension of control from the central authority. In an earlier Interim Report,¹² the Committee recommended that the province pay 100 per cent of the approved cost of new schools provided after January 1, 1974. In another Interim Report,¹³ the Committee proposed that the province pay 100 per cent grant on approved expenditures for essential regular transportation. Each capital building project and each transportation contract has been subject to approval for grant purposes by the Ministry of Education and its predecessor, the Department of Education, for many years, so that the means to control the amount of the costs for these purposes is already well established.

For reasons that were presented in detail in the earlier Interim Reports, we considered it desirable to continue the involvement of the Ministry of Education in approval of building projects and transportation contracts and to increase the rate of grant for these purposes to 100 per cent of the approved costs. The rates of grant on annual payments of principal and interest on debentures issued in the past and for approved costs of transportation are for most boards already considerably in excess of the rates of grant on recognized ordinary expenditures. Consequently, an in-

¹² School Building Programs, Interim Report Number Two, Committee on the Costs of Education, Queen's Printer and Publisher, Toronto, October, 1972, pp. 20, 107.

¹³ Pupil Transportation, Interim Report Number Three, Committee on the Costs of Education, Queen's Printer and Publisher, Toronto, May, 1973, pp. 12, 90-91.

crease in the rate of grant by the province to 100 per cent of the approved costs for these two purposes will not result in any substantial extension of central control. In effect, that control already exists. More importantly, however, is that neither of these areas - school buildings and pupil transportation - bears directly on the curriculum as it finds expression in the day-to-day operation of the school.

The total amount of grants provided by the province for the ordinary day-to-day operation of the school system is below the overall 60 per cent of total costs, largely because of the higher rates of grants applicable to annual payments of principal and interest for school buildings and to approved pupil transportation costs. It is our view that the province should increase the percentage of its support to school boards for operating expenditures, that are within the basic uniform expenditure limits, to a level of $66 \frac{2}{3}$ per cent. This target should, of course, be taken into account in determination of the uniform mill rate for operating purposes. If the proportion of provincial support for day-to-day operating costs does not exceed two-thirds, school boards should be able to maintain a substantial degree of independence. In making this assertion, however, we are assuming that our recommendations for abandonment of individual board ceilings provided by grant and expenditure weighting factors, will be adopted. Because of the importance we attach to these aspects, separate chapters have been devoted to an analysis of the existing ceilings and the weighting factors.

It is proposed that progress towards payment of two-thirds of the total costs of ordinary operations be made gradually over a period of five years. The annual increase in the percentage of the total operating costs borne by the province should be implemented in conjunction with the gradual adjustments towards the basic uniform expenditure limit proposed for all boards. Both these changes will later have to be related to the adjustments that will result from the introduction of market value assessment.

Provision of Additional Grants by the Province

Under the proposed method of financing education, the province will be required to provide additional grants to school boards to meet the higher proportion of the costs that the province will bear. In summary, the increased amounts will be necessary (1) to provide for the introduction of a basic uniform level of expenditure per pupil for operating purposes for all boards at each of the elementary and secondary levels; (2) to permit the grants for basic operating expenditures under (1) to be raised from the present level to 66 $\frac{2}{3}$ per cent; and (3) to meet the additional amount of the annual payment for approved transportation and for repayment of principal and interest on capital projects approved in the future from the existing high percentages to 100 per cent.

While it is impossible to forecast with accuracy the amounts that the province will have to provide, the magnitude of any additional grants will depend on a number of factors. Among these are first, the degree of progress each year over a period of five years, towards attainment by all boards of the new basic uniform expenditure limits per pupil. Since the boards with the largest enrolments will already be at or near the limits, any additional amounts will be required to permit a gradual closing of the gap between them and the remaining boards. A second factor to be considered is the increase, also over a period of five years, of the proportion of ordinary operating costs provided through grants. The present level of grants at 60 per cent of total costs for the province as a whole means that the percentage of grants for recognized ordinary expenditures is below this level by the amount of the grants on recognized extraordinary expenditures. Our recommendation would mean that the percentage of grant on the basic uniform expenditure limits per pupil would be increased from its existing level below 60 per cent to 66 $\frac{2}{3}$ per cent. The additional amount required for payment of 100 per cent of the annual payments by boards on approved capital projects in the future and for approved transportation will not be too significant.

But it should not be assumed that the additional commitment by the province will be unmanageable for it. There already are, or will be, a num-

ber of compensating developments which will tend to restrain to some extent the magnitude of any increase. Since 1971, the elementary school enrolment has been declining and will continue to do so until 1980.¹⁴

The rate of increase in enrolment at the secondary level has slowed considerably and will continue to do so until 1977, after which it too will decline and will follow the new trend well into the 1980s. The higher cost per pupil at the secondary level coupled with a decline in enrolment put some restraint on any increase in total costs. Fewer teachers will be needed, a smaller number of pupils will have to be transported, the need for text-books, resource materials and supplies will stabilize or be reduced, and only a limited amount of new school accommodation will be required.

The recommendation that progress towards the basic uniform expenditure limits per pupil and the payment in grants of two-thirds of the costs within these limits be made over a period of five years will permit a gradual adjustment by the province to the greater amounts to be provided through grants.

The retirement of debentures issued to finance school buildings during the rapid expansion of the 1950s and 1960s and the limited issue of debentures in the foreseeable future will result in a net reduction of the annual payments for this purpose. If approval of new building projects is kept within the limits recommended in our Interim Report Number Two, this desirable result will be inevitable.

It is assumed that revenues of the province, from which the additional grants will have to be provided, will continue to increase. While it is recognized that there are other pressing demands on the available resources at the provincial level, it is our view that any increase in grants can be provided, even though the proportion of the provincial budget devoted to elementary and secondary education may decrease.

¹⁴ Report on the Education of Elementary and Secondary Teachers in Ontario: Facilities, Organization, Administration, Interim Report Number One, Committee on the Costs of Education, Queen's Printer and Publisher, Toronto, 1972, p. 29.

Continued expansion of the economy will add new assessment to local property tax rolls. Consequently, as long as the uniform mill rate on equalized assessment for operating purposes is maintained at the same level, the additional tax revenues from increased assessment will result in a greater contribution to the payment of the costs of education incurred by school boards.

A highly unpredictable factor at this time is the impact of inflation in the next few years. It may be that because of increased costs it will be necessary to increase substantially the basic uniform expenditure limits and thereby increase the amount of the legislative grants. While this development would require the province to secure the additional revenues to meet its commitment, it would also be true that the province would be in a better position to provide the funds than the school boards and municipalities.

All the factors to which reference has been made above will have to be taken into account in determination of the actual amounts involved. In the allocation of financial resources, it would be preferable to apply any increase in grants from the province in the manner that we have recommended, rather than to continue to distribute additional funds through existing patterns.

CHAPTER 6

CEILINGS

From the institution of a formal organizational structure for education in Ontario until 1971, school boards had been free to determine the amount of the expenditures they would incur to operate their school systems, subject only to the effect on the local tax rate for education and the responsibility of the trustees to their taxpayers. Later the Department of Education, through its grant Regulation, determined the proportion of a board's expenditures that it would "approve for grant purposes". The board's rate of grant was applied to the "approved costs" to determine the amount of grant. The difference between the amount of grant and the approved costs had to be financed through local taxation. If a board spent in excess of the amount approved for grant purposes, the whole of the supplementary expenditure also had to be provided by local taxes. Major categories of operating expenditure eligible in whole, or in part, for approval for grant purposes included those for teachers' salaries, other instructional purposes, plant operation, plant maintenance, administration, and educational services. Expenditures for pupil transportation and for provision of school facilities were subject to approval, again in whole or in part, by the Department of Education on an individual contract and project basis respectively. The general principles of this system were maintained for many years and only relatively minor modifications were made from time to time.

Increasing Costs

In the latter part of the 1960s, the costs of education were escalating at an unprecedented rate. There were a number of factors responsible for this development. Enrolment was still increasing, although at a decelerating rate. The pupil:teacher ratio was declining at a rate unmatched in more than 25 years. Teachers' salaries, which had been growing over a considerable period of time, were still rising. Salaries for administrative and other personnel were also increasing. Inflation was eroding the value of the dollar and items such as text-books, pupil supplies, equipment, fuel, and operation and maintenance supplies had increased in price. School construction programs were continuing at a high level and more pupils were be-

ing transported. It was not suprising, then, that the total costs of maintaining the educational enterprise were considerably higher and that this development was reflected in increases in the amount of general legislative grants and in the amount of local taxes for education.

But there was a growing feeling that the costs of education were increasing beyond any justification that could be attributed to the factors referred to above. In the period before the establishment of the county and district units on January 1, 1969, costs for the province as a whole had been accelerating and had reached a level of \$1,262,380,000 in 1968 (Table 1). In 1968, a number of the former boards, in anticipation of inclusion in larger units, deliberately increased their expenditures to dispose of any potential surplus funds while some boards spent beyond the amounts for which they had budgeted. The new county and district boards were required to assume responsibility for the deficits that had been unnecessarily created. Later, the Department of Education relieved these boards of the deficit liabilities by reimbursing them through special grants paid over a three-year period.

Provision for Control of Board Expenditures

There was increasing pressure from the public to place some limit on the expenditures that school boards could incur. In the Session of the Legislature for 1968-69, an amendment to The Department of Education Act was presented providing that the Minister might make regulations "(a) governing estimates that a board is required to prepare and adopt and expenditures that may be made by a board for any purpose".¹ This proposed legislation had implications of major significance in that it would increase the authority of the Department of Education over school boards and make possible the removal of the traditional authority of boards to decide the amount of the expenditures they could incur for education. These implications were seen by some educational organizations and their objections were made known. The Department of Education took the position that the very existence of authority for it to issue Regulations to control the ex-

¹The Department of Education Act, R.S.O. 1970, Section 12, Subsection (3), clause (d).

penditures of boards would act as a deterrent to excessive or unnecessary expenditures and that it would probably not be necessary to invoke the authority that the legislation would provide. With this assurance, opposition to the amendment subsided and it became law.

Demand for Limit on Expenditures for Education

Creation of the new county and district boards in 1969 meant that there were certain exceptional costs involved in consolidation of the former boards and in development of the new organizational structure. As we have shown earlier in this Report, in spite of the initial costs associated with the establishment of the new units, the total expenditures incurred by boards in 1969, and in the years immediately thereafter, showed a smaller percentage increase than had occurred under the former boards. While deceleration in the rate of increase in enrolment was a factor in the achievement of this result, it is undoubtedly true that the new units were able to restrain costs through improvements in organization and by greater efficiency. Only a very few new boards made expenditures that might have been considered non-essential or that might have been deferred or that might have been phased in over a greater number of years.

One important factor that influenced the attitude of the public to educational costs was the redistribution of the tax load among municipalities as a result of the inclusion of a number of former jurisdictions under one new larger board. We have already dealt with this problem in a previous chapter, but it is important to understand that the shift of the tax load among municipalities was often interpreted as an increase in the cost of education when, in fact, the total costs for all boards were not rising as rapidly as they were under the former boards. Therefore, some of the criticism directed at the costs of education had its origin in a different problem altogether.

There were some other boards - mainly a few in the largest cities - that had not been affected in any way by the reorganization into larger units in 1969, whose expenditure levels were either already considerably in excess of the maximum per pupil expenditure eligible for grant or whose proposed expenditure levels would have exceeded the amounts eligible for

grant. These boards were, therefore, adding greatly to the tax burden to be borne by their local taxpayers, since the excess of the amount per pupil eligible for grant had to be paid out of local taxation without benefit of grant. As criticism at the local level mounted and as ratepayers felt they could not influence the decisions in the direction of greater economy, there were appeals to the Department of Education to control the expenditures incurred by these boards.

Establishment of Ceilings

In 1971, acting on the authority granted by the amendment to the Department of Education Act in 1968-69, the Minister of Education established ceilings for recognized ordinary expenditure per pupil. In 1970 the basic ordinary expenditure recognized for grant purposes was \$500 at the elementary level and \$1,000 at the secondary level. Boards were able to spend in excess of these amounts but the excess had to be borne wholly by local property tax. In 1971, the basic amounts were raised to \$545 and \$1,060 respectively, with the difference that these latter amounts became the basic expenditure levels as well. Figures for both years were subject to increases based on the weighting factors allowed. Boards that were already spending in excess of the expenditure limits were permitted to exceed the ceilings in 1971 with the understanding that by 1973 they would bring their expenditures within the ceilings applicable to other boards in the latter year.

Changes in Ceilings

The changes that have taken place in the basic ceilings since they were introduced are set out in Table 25. Comparisons of the annual increases at each of the elementary and secondary levels are shown in terms of dollars and per cent. As already pointed out, in 1970 the approved basic expenditure limit for grant purposes at the elementary level was \$500, while at the secondary level it was double this amount at \$1,000. From 1971 on, the annual increases in the dollar amount and per cent do not follow any identifiable pattern. There does not seem to be any logical rationale for either the dollar or percentage allowances. The percentage increases at the elementary level have been greater than those

at the secondary level for all four years. But, at the secondary level, in each of the years 1971 and 1974, because of the greater figure to which the percentage is applied, lower percentage increases have resulted in greater increases in the number of dollars - \$15 and \$27 respectively - when compared to the elementary level. In the other two years - 1972 and 1973 - there were greater increases at the elementary level of \$10 and \$5 respectively. Over the four-year period, 1971 to 1974 inclusive, the amount of the increase at the elementary level is \$204, or 40.8 per cent, while at the secondary level it is \$231, or 23.1 per cent. The really significant figure, however, is the greater increase in the number of dollars - \$27 in favour of the secondary level.

TABLE 25

BASIC EXPENDITURE CEILINGS PER PUPIL
1971 to 1974 Inclusive

Year	Elementary			Secondary		
	Basic Ceiling	Amount of Increase	Per Cent Increase	Basic Ceiling	Amount of Increase	Per Cent Increase
1970 ^a	\$500	\$ -	-	\$1,000	\$ -	-
1971	545	45	9.0	1,060	60	6.0
1972	595	50	9.2	1,100	40	3.8
1973	630	35	5.9	1,130	30	2.7
1974 ^b	683	53	8.4	1,210	80	7.1
	704	74	11.7	1,231	101	8.9
1970-1974		\$204	40.8		\$231	23.1

Notes: ^a The figures shown for 1970 are the basic amounts eligible for grant, since expenditure ceilings were not introduced until 1971.

^b The first set of figures for 1974 shows the basic ceiling levels announced in August, 1973. The second set shows the final figures provided in April, 1974.

Basic Ceilings

There is a great deal of misunderstanding and misinterpretation of the ceilings established by the Ministry of Education for school Boards.

The general public seems to believe that the basic ceilings, as set out in Table 25, represent the level of expenditure per pupil that a board may incur. If this were so, an elementary school board could have spent up to \$595 per pupil in 1972, and a secondary school board up to \$1,100. Actually, many boards were able to spend in excess of these amounts because of the application of expenditure weighting factors to the basic expenditure ceilings. For example, the Ottawa Board of Education spent \$806.14 and the Metropolitan Toronto School Board \$785.64 per elementary school pupil. At the secondary level, the Ottawa Board of Education spent \$1,232.02 per pupil and the Metropolitan Toronto School Board spent \$1,281.40 per pupil. Because the amounts of \$595 and \$1,100 are the figures to which the weighting factors for each board are applied to secure the actual ceilings, we have designated the former as "basic ceilings" in Table 25 to distinguish them from the amounts calculated after application of the grant and expenditure weighting factors.

Limits on Annual Increase in Expenditure

A large number of boards that, in the past, were relatively low spenders by comparison with the Ottawa Board of Education and the Metropolitan Toronto School Board were not even able to spend up to the basic ceilings of \$595 and \$1,100 in 1972. Examples at the elementary level are the Haldimand-Norfolk Roman Catholic Separate School Board which had a ceiling of \$497.82 and the Victoria County Board of Education at \$511.27, both much below the basic ceiling of \$595.00. At the secondary level, the Perth County Board of Education could spend a maximum of \$972.23 per pupil and the Prince Edward County Board of Education, \$1,009.72, both well below the basic ceiling of \$1,100. The figures for other boards for 1972 are shown in the Appendices.

The fact that some boards were not permitted to spend up to the basic ceiling was due, in part, to the limitation placed by the Ministry of Education on the amount of the increase that a board could incur in any year over its previous year's expenditure. The maximum amount of the increase permitted over a board's expenditure for the previous year is shown in Table 26.

TABLE 26

MAXIMUM AMOUNT OF ANNUAL INCREASE IN

BASIC EXPENDITURE CEILINGS

1971 to 1974

<u>Year</u>	<u>Elementary</u>	<u>Secondary</u>
1971	\$75	\$75
1972	60	75
1973	60	75
1974	Up to ceiling ^a	Up to ceiling ^a

Note: ^aMemorandum to Chairmen of School
Boards from the Minister of Educa-
tion, dated August 29, 1973, pp. 2-3.

The increases for the years 1971 to 1973 inclusive could be greater by application of the expenditure weighting factor to them. For example, the maximum calculated increase for the London Board of Education at the elementary level in 1972 was \$69.00, the Metropolitan Toronto School Board, \$72.78, the Ottawa Board of Education, \$71.76, and the Windsor R.C.S.S. Board, \$69.00. Each of these boards, except the Windsor R.C.S.S. Board, was unable to take full advantage of this allowance because of the high levels their expenditures had reached in earlier years. The majority of boards were limited to an increase in expenditure of \$60 per pupil, or slightly in excess of this amount after the application of the weighting factors.

At the secondary level, where the basic increase was set at \$75.00 in 1972, the maximum calculated increase in allowances went as high as \$85.05 for the Central Algoma Board of Education, \$83.33 for the Metropolitan Toronto School Board, and \$81.75 for the Ottawa Board of Education. In the case of the latter two boards, a second calculation reduced the actual allowable increase by a small amount.

Effect of Allowable Annual Increases in Expenditures

The effect of the limitation on the amount of the calculated annual increases was that in 1972 the gap between the low-spending boards and the high-spending boards was not reduced significantly. For example, in 1971

at the elementary level, the differential in expenditure per pupil between the Oxford County Board of Education at \$497.05 and the Metropolitan Toronto School Board at \$750.85 was \$253.80. In 1972, the calculated expenditure limit for the Oxford County Board of Education was \$558.49, while for the Metropolitan Toronto School Board it was \$786.00, a difference of \$227.51. Consequently, the maximum amount by which the gap could have been reduced was from \$253.80 to \$227.51, a difference of only \$26.29 per pupil. One study² has reported that the standard deviations of expenditure per actual pupil in a sample of 120 boards decreased from \$62.14 in 1970 to \$59.61 in 1972, a difference of \$2.53 in two years.

At the secondary level in 1971, the York County Board of Education spent \$1,032.13 per pupil, while the Metropolitan Toronto School Board spent \$1,204.11, a difference of \$171.98. The calculated corresponding maximum figures for 1972 were \$1,107.36, \$1,281.62, and \$174.26. In this case, instead of the gap between the lower-spending board and the higher-spending board decreasing, it could have increased by \$2.28 per pupil.

For 1974, the limitation on the amount of a board's increase over its previous year's expenditure was eliminated. Consequently, all boards could theoretically increase their expenditures to the basic expenditure levels of \$704 at the elementary level and \$1,231 at the secondary level. The application of the expenditure weighting factor to these figures would permit even higher expenditures. However, in practice, the amount of any increase in expenditures will be limited by its impact on the local mill rate. Consequently, while greater expenditures by some former low-spending boards might have been justified, it was impractical for them to increase their budgets to the maximum levels permitted in 1974.

Adequacy of Ceiling Levels

Since the establishment of the expenditure ceilings in 1971, there has been continuing criticism by a small number of school boards about the adequacy of the amounts they were allowed to spend. The practice has

²Armstrong, A., Lawton, S., and Rideout, E. B., Ontario Elementary Education Expenditure Patterns, 1970-1973, (Mimeographed), p. 41.

been for the board to prepare a budget for the ensuing year based on a projection of the cost of existing programs, sometimes with certain modifications, plus the cost of any proposed additions or improvements. When the total of these anticipated expenditures could not be accommodated within the limitations of the basic ceilings multiplied by the weighting factors or within the maximum increase permitted for the year, the board has publicized the amount of the "decrease" that it has been required to make. The impression has been gained by the public that an actual decrease from the previous year's spending has been required. The fact is that, in every year since the ceilings were introduced, increases in per pupil expenditure and in total expenditure have occurred through adjustments in the basic per pupil expenditure and in the weighting factors. In too many cases, boards have not taken adequate steps to clarify this important point with taxpayers and electors. Admittedly, the calculations have not been easy to explain to the public, but it would have been helpful if the increase over the previous year's expenditure had also been indicated, rather than only the amount of the decrease from a projected budget. The practice of giving publicity to one side of an issue without revealing other equally relevant information to permit the public to formulate its views and wishes ultimately erodes the confidence of the public in its elected bodies and results in limitations on the freedom of these institutions to perform their functions.

A new approach will be required of the few boards that have based their projected expenditures on a continuation of most of their existing programs, practices and procedures, developed at a time of financial affluence when there was little control on the amount of a board's expenditures. It may be that it is desirable to maintain these at their present level, but such a decision should be reached only in the light of the contribution they make to the achievement of the goals of the school system and after a full consideration of the priorities that they should command and the efficiencies they should achieve. It would have been reassuring if more evidence had been provided that this kind of self-examination and self-assessment was being seriously pursued by the higher-spending boards. It is these boards that have complained the most about limitations on their projected spending levels. It should be emphasized, however, that these comments apply to a small number of boards only but, since they in-

clude a few of the largest boards, the total amount of money involved is substantial.

Most boards have taken steps to assess the effectiveness of the educational enterprise and have made hard decisions and significant changes to achieve a greater degree of efficiency and economy in their operations. The result is that these boards have been able to function within the expenditure limits. Some comparative figures for selected boards, as shown in Table 32 and Table 33, illustrate their levels of expenditure in 1972. Similar data for all boards are given in the Appendices.

A number of school boards had already achieved a relatively high level of expenditure by the time the ceilings were established in 1971. It was recognized that some special provision would have to be made to enable these boards to bring their expenditures within the maximum levels applicable to other boards. Consequently, they were permitted to spend in excess of the ceilings for two years on the clear understanding that they would come within the limits in 1973. Since the basic expenditure ceiling per pupil for all boards was being increased each year, the two-year period made the adjustment for the higher-spending boards less difficult than if the original ceilings had been applicable to them in 1971. Other provisions, such as the introduction of a leeway factor and increased weighting factors, were introduced to cushion the impact of the expenditure limits on these boards.

There are numerous factors that raise doubts about the methods used to determine the basic ceilings and the particular ceilings for grant purposes and for maximum expenditures for an individual board. Reference has already been made to the lack of a satisfactory rationale for determination of the annual increases in the basic ceilings. In the absence of an acceptable explanation of the means by which the basic ceilings are established, it is inevitable that controversy will exist about their adequacy. For example, in August, 1973, it was announced that the basic ceilings for 1974 would be increased from \$630 to \$683 at the elementary level, or by \$53. The increase at the secondary level was to be from \$1,130 to \$1,210, or by \$80. In April, 1974, the revised amounts were increased further by a uniform sum of \$21 at each level to \$704 and \$1,231 respectively. The

reason³ given for the supplementary allowance of \$21 was the impact of inflation between August, 1973, and April, 1974. Expressed in percentages, the increase of \$21 on an amount of \$683 is 3.075 per cent at the elementary level. On an amount of \$1,210 at the secondary level, the \$21 is an increase of 1.736 per cent. Since the effect of inflation is usually based on a percentage increase, the uniform supplementary allowance of \$21 at both levels cannot be attributed to the impact of inflation alone.

Range of Maximum Expenditures by Boards in 1974

In 1974, the basic ceilings of \$704 per pupil at the elementary level and \$1,231 per pupil at the secondary level are not true measures of the amounts of money boards can spend (Table 27). The application of its own grant weighting factor for each elementary school board permits an expenditure for grant purposes that is in the range from \$704 for the Halton R.C.S.S. Board to \$851.14 for the Fort Frances-Rainy River District R.C.S.S. Board. At the secondary level, the range of expenditure eligible for grant is from \$1,248.23 for the Huron County Board of Education to \$1,551.06 for the Michipicoten Board of Education. On the maximum expenditure side, the range at the elementary level is from \$704 for the Halton R.C.S.S. Board to \$889.15 for the Ottawa Board of Education. At the secondary level, the maximum expenditure range is from \$1,263 for the Essex County Board of Education to \$1,551.06 for the Michipicoten Board of Education. The calculations are based on the application of the weighting factors to the basic ceilings and do not take into account allowances for French-language instruction, for trainable retarded children or other special provisions not included in the regular weighting factors.

Even though there is a common basic ceiling of \$704 per pupil for elementary school boards and \$1,231 per pupil for secondary school boards, only one board in the whole province - the Halton R.C.S.S. Board - has the basic ceiling applicable to it for grant and expenditure purposes.

³ Memorandum to Chairmen of School Boards from the Honourable Thomas L. Wells, Minister of Education, dated April 4, 1974.

TABLE 27
RANGE OF WEIGHTING FACTORS AND EXPENDITURES
1974^a

	Grant Weighting Factor		Maximum Expenditure Eligible for Grant		Expenditure Weighting Factor		Maximum Expenditure permitted	
	Low	High	Low	High	Low	High	Low	High
<u>ELEMENTARY</u>								
Halton R.C.S.S. Bd.	1.000		\$ 704.00		1.000		\$ 704.00	
Fort Frances-Rainy River District R.C.S.S. Bd.	1.209		\$ 851.14					\$ 889.15
Ottawa Bd. of Ed.					1.263			\$ 889.15
Difference	.209		\$147.14		.263		\$185.15	
<u>SECONDARY</u>								
Huron County Bd. of Ed.	1.014		\$1,248.23					\$1,551.06
Michipicoten Bd. of Ed.	1.260		\$1,551.06		1.260		\$1,263.00	
Essex County Bd. of Ed.					1.026		\$1,263.00	
Difference	.246		\$302.83		.234		\$288.06	

^a The figures do not include allowances for French-language instruction, for trainable retarded children, and other provisions not included in the weighting factors applicable to the basic ceilings of \$704.00 at the elementary level and \$1,231.00 at the secondary level.

The difference in the range between low and high for elementary boards is \$147.14 per pupil for grant purposes and \$185.15 for expenditure purposes. At the secondary level, the difference in the range is \$302.83 per pupil for grant purposes and \$288.06 per pupil for expenditure purposes.

Classification of Boards by Calculated Maximum Expenditure Levels in 1974

An analysis of the calculated maximum expenditures for grant purposes for other elementary school boards shows that six boards will exceed \$825.00, with five of these between \$825.00 and \$840.00. Thirty-six boards will be below \$725.00, with thirty-two between \$710.00 and \$725.00. On the total expenditure side, fifteen boards exceed \$825.00 and ten of these are between \$825.00 and \$840.00. Nineteen boards are below \$725.00 and of these all but three are between \$710.00 and \$725.00.

At the secondary level, the calculated maximum expenditures for grant purposes for other boards show eighteen between \$1,375.00 and \$1,525.00, all in the districts. The remainder are between \$1,245.00 and \$1,375.00 per pupil, with the majority clustering around the \$1,275.00 mark. On the total expenditure side, only two other boards exceed \$1,525.00 per pupil - the Lake Superior Board of Education at \$1,539.98 and the Michipicoten Board of Education at \$1,551.06. Of the remaining twenty-three boards above \$1,375.00 per pupil, all are in the districts of Northern Ontario except the Metropolitan Toronto School Board at \$1,429.19. The remaining boards are between \$1,263.00 and \$1,375.00 per pupil. Table 28 shows the number of boards in each of several expenditure classifications. The figures for each board are provided in the Appendices.

Impact of Weighted Ceilings

While there are numerous variables that influence the kind of education a pupil receives in a particular school board jurisdiction, it is also true that the amount of financial resources available to a board is a most important and highly significant factor in the determination of the type of education that the board can provide. Our assessment of the impact of the actual expenditure levels, as they have existed since 1972 and as they are established for 1974, is that the wide ranges in the

TABLE 28

NUMBER OF BOARDS CLASSIFIED BY MAXIMUM
CALCULATED EXPENDITURE PER PUPIL IN 1974^a

ELEMENTARY

Maximum Expenditure Eligible for Grant	Number of Boards	Maximum Total Expenditure Permitted	Number of Boards
\$704.00 - \$710.00	4	\$704.00 - \$710.00	3
\$710.01 - \$725.00	32	\$710.01 - \$725.00	16
\$725.01 - \$825.00	78	\$725.01 - \$825.00	86
\$825.01 - \$840.00	5	\$825.01 - \$840.00	10
\$840.01-	1	\$840.01-	5

SECONDARY

\$1,231.00 - \$1,245.00	-	\$1,231.00 - \$1,245.00	-
\$1,245.01 - \$1,375.00	52	\$1,245.01 - \$1,375.00	48
\$1,375.01 - \$1,525.00	18	\$1,375.01 - \$1,525.00	21
\$1,525.01-	1	\$1,525.01-	2

Note: ^aThe figures do not include allowances for French-language instruction, for trainable retarded children, and other provisions not included in the weighting factors applicable to the basic ceilings of \$704.00 at the elementary level and \$1,231.00 at the secondary level.

amounts of money available to different boards are the source of inequalities in educational opportunities for pupils and of inequities for taxpayers across the province. In particular, the disparities in the amount of a board's expenditures eligible for grant for ordinary operating purposes almost ensures that equality of educational opportunity will not be achieved. The differences are the result of the application of the weighting factors to the basic ceilings. Our judgment is that, for these and additional reasons that are explained more fully in the next chapter of this Report, the weighting factors should be eliminated, effective with the calendar year 1976.

Basic Common Expenditure Level

It is our view that the Ministry of Education should establish a basic uniform expenditure per pupil for boards at each of the elementary and secondary school levels and that this amount should be common for all boards at each level. A first charge against this amount would be the cost of items now classified as recognized ordinary expenditures for operating purposes. But, regardless of the amount of the expenditures made under this heading, each board would receive grants in the amount of the difference between property tax revenues derived from the uniform mill rate on equalized assessment, described earlier in this Report, and the amount of the basic uniform expenditure level multiplied by the average daily enrolment. Boards would be encouraged to achieve every possible economy in ordinary operating expenditures so that they would have funds available for purposes that would otherwise have to be financed through the discretionary mill rates where the whole cost would have to be financed by local property taxes. An example will serve to illustrate present practice and our proposed changes.

In 1974, at the elementary level, the grant weighting factor for each board is applied to the basic ceiling of \$704 per pupil to determine the maximum expenditure per pupil eligible for grant for recognized ordinary expenditures. By this calculation all but ten boards are below a figure of \$820.00 per pupil. To calculate the amount of grant a board may receive, the board's rate of grant is applied to the actual expenditure for this purpose. A board is encouraged to exercise

economy since it must raise through local property taxes the difference between the actual expenditure for recognized ordinary operations and the amount of the grant for this purpose.

The alternative we are proposing is quite different in the method of its operation. Let us suppose that a basic expenditure level of \$820.00, without any weighting factors, is established for all elementary school boards. Also, let us assume that the revenues derived from the uniform mill rate on equalized assessment at the local level amount to \$320.00 per pupil. The amount of the legislative grant would then be the difference between \$820.00 and \$320.00, or \$500.00 per pupil. If the board's actual expenditures for recognized ordinary operations were \$770.00, instead of \$820.00, the board would have \$50.00 per pupil that it could apply to other areas such as curriculum innovation, experimentation, or any other purposes that would otherwise have to be financed from the discretionary mill rates where the whole cost would have to be borne by local taxation on property. The board would be encouraged to practise economy in order to include as much of its expenditures as possible within the \$820.00 per pupil and thus reduce to a minimum the amounts to be provided by revenues from the discretionary mill rates. Those boards that were in excess of the \$820.00 per pupil would be required to raise the additional amount through their discretionary mill rates.

At the secondary level in 1974, only ten boards have maximum ceilings for grant purposes that exceed \$1,400.00 per pupil when the existing basic ceiling of \$1,231.00 is multiplied by the grant weighting factor for each board. If, by our proposal, the basic common expenditure level were established at \$1,400.00 per pupil and if the uniform mill rate on equalized assessment produced revenues of \$500.00 per pupil, the legislative grant would be the difference between the two amounts, or \$900.00 per pupil. If the cost per pupil for recognized ordinary operating expenses for a board were \$1,300.00, the board would have \$100.00 per pupil for other purposes including reduction of any amount that would otherwise have to be raised through the discretionary mill rates. Boards in excess of \$1,400.00 per pupil would, of course, have to resort to use of the discretionary mill rates.

No particular significance should be attached to the use of the amounts of \$820.00 per pupil at the elementary level and \$1,400.00 at the secondary level as the common basic expenditure levels under the proposed method of financing operating costs of school boards. Nor should these amounts be interpreted as increases that would be required over the announced basic ceiling of \$704.00 and \$1,231.00 for 1974, since the latter amounts are subject to grant weighting factors that increase them considerably for many boards. The choice of the amounts of \$820.00 and \$1,400.00 was made for illustrative purposes only. Actual levels for the basic expenditure limits should be determined in accordance with the procedures recommended in our Interim Report Number Four.⁴

Boards Exceeding Expenditure Limits

In 1971, about ten school boards exceeded their maximum expenditure levels. As a result, the Ministry of Education applied a formula that imposed a penalty on these boards. The amount of the expenditure in excess of the maximum level permitted was multiplied by the difference between 100 and the board's rate of grant on recognized ordinary expenditures to arrive at the amount of the penalty. For example, as finally determined, the Hamilton Board of Education exceeded its maximum expenditure limits at the secondary level by approximately \$197,480. The rate of the penalty was calculated by subtracting the Board's rate of grant of 55.34 from 100 to arrive at a penalty rate of 44.76 per cent. The amount of the penalty was, therefore, \$197,480 multiplied by 44.76, which was \$88,392, a sizable additional sum to be raised by local taxation.

In 1972, a number of boards exceeded the prescribed maximum expenditure level as shown by the data in Table 29. While the number of these boards was greater than in 1971, for many of them the amounts of the excess were nominal. Undoubtedly, a few boards breached the prescribed limits when enrolments for the fall term, that were a factor in determination of those limits, were not known until two-thirds of the year

⁴Planning, Part I, Interim Report Number Four, Committee on the Costs of Education, Queen's Printer and Publisher, Toronto, 1974, p. 5.

TABLE 29

BOARDS WITH EXPENDITURES IN EXCESS OF EXPENDITURE CEILINGS

1972

ELEMENTARY - PUBLIC

	Ordinary Expenditure Ceiling (Col.1)	Actual Ordinary Expenditure (Col.2)	Per Pupil Over Expenditure Col.2 - Col.1 (Col.3)	Average Daily Enrolment (Col.4)	Total Over Expenditure Col.3 x Col.4 (Col.5)
Atikokan B. of Ed.	\$717.29	\$738.02	\$20.73	1,033.95	\$21,433.78
Central Algoma B. of Ed.	674.49	695.71	21.22	1,644.45	34,895.23
Hearst B. of Ed.	651.73	662.32	10.59	258.40	2,736.46
Huron County B. of Ed.	531.31	533.30	1.99	8,042.00	16,003.58
Kapuskasing B. of Ed.	721.01	729.29	8.28	819.05	6,781.73
Lambton County B. of Ed.	607.92	611.00	3.08	15,345.55	47,264.29
Muskoka B. of Ed.	633.14	640.63	7.49	5,075.40	38,014.75
Renfrew County B. of Ed.	633.29	642.79	9.50	9,097.40	86,425.30
Timmins B. of Ed.	672.12	673.46	1.34	3,222.05	4,317.55
Wellington County B. of Ed.	553.65	555.07	1.42	14,760.67	20,960.15

TABLE 29 (Continued)

BOARDS WITH EXPENDITURES IN EXCESS OF EXPENDITURE CEILINGS

1972

ELEMENTARY - SEPARATE

	Ordinary Expenditure Ceiling (Col.1)	Actual Ordinary Expenditure (Col.2)	Per Pupil Over Expenditure Col.2 - Col.1 (Col.3)	Average Daily Enrolment (Col.4)	Total Over Expenditure Col.3 x Col.4 (Col.5)
Penetanguishene					
Protestant S.S. Bd.	\$585.37	\$590.38	\$ 5.01	142.45	\$ 713.67
Hearst District					
R.C.S.S. Board	643.78	657.36	13.58	1,694.35	23,009.27
Kirkland Lake District					
R.C.S.S. Board	709.94	712.50	2.56	1,733.07	4,436.66
Lambton County					
R.C.S.S. Board	605.81	617.02	11.21	4,811.75	53,939.72
Michipicoten District					
R.C.S.S. Board	568.35	574.69	6.34	685.85	4,348.29
Nipissing District					
R.C.S.S. Board	655.87	657.23	1.36	9,996.30	13,594.97
Simcoe County					
R.C.S.S. Board	528.90	531.96	3.06	5,458.60	16,703.32
Timiskaming District					
R.C.S.S. Board	624.73	629.00	4.27	2,318.50	9,900.00

TABLE 29 (Continued)

BOARDS WITH EXPENDITURES IN EXCESS OF EXPENDITURE CEILINGS

1972

SECONDARY

	Ordinary Expenditure Ceiling (Col.1)	Actual Ordinary Expenditure (Col.2)	Per Pupil Over Expenditure Col.2 - Col.1 (Col.3)	Average Daily Enrolment (Col.4)	Total Over Expenditure Col.3 x Col.4 (Col.5)
Central Algoma B. of Ed.	\$1,148.49	\$1,207.01	\$58.52	553.00	\$ 32,361.56
Lake Superior B. of Ed.	1,391.41	1,392.66	1.24	933.50	1,157.54
Middlesex County B. of Ed.	1,036.18	1,037.20	1.02	3,773.25	3,848.72
North Shore B. of Ed.	1,347.10	1,351.42	4.32	1,599.44	6,909.59
Northumberland and Durham County B. of Ed.	1,038.83	1,060.50	21.67	7,560.00	163,825.20
Timiskaming B. of Ed.	1,144.62	1,164.65	20.03	2,545.94	50,995.18
Wellington County B. of Ed.	1,034.40	1,037.04	2.64	7,811.04	20,621.15

Note: Boards that exceeded the expenditure ceilings by less than \$1.00 per pupil are not included.

was past. In some other cases, where the over-expenditure was minimal, it could be attributed to the impossibility of estimating well in advance the exact cost of the board's commitments in the purchase of supplies, equipment, etc.

In 1973, when the Metropolitan Toronto School Board indicated that it would be unable to stay within its calculated expenditure ceilings, the Ministry of Education agreed to permit it to exceed these ceilings and offered to provide an interest-free loan of \$8 million to enable it to do so. The understanding was that the excess expenditure and the loan would be a charge against future years. It was understood that the Metropolitan Toronto School Board intended to avail itself of a loan of approximately \$7 million in 1973. The amount borrowed was much less.

It is most difficult to rationalize the behaviour of the Ministry of Education in its treatment of the Hamilton Board of Education in 1971 and the Metropolitan Toronto School Board in 1973, or to justify the different treatment meted out to the two boards. While the Hamilton Board was penalized for exceeding its ceilings in the first year of their application in 1971, the Metropolitan Board was not only allowed to exceed its ceilings in 1973, without penalty, but also was assisted by a bonus in the form of an interest-free loan to enable it to spend beyond its maximum expenditure limits. If the Ministry was correct in its treatment of the Hamilton Board of Education on its expenditures in 1971, then why should the Metropolitan Toronto School Board be compensated for a breach of its ceilings in 1973? Or if the Ministry was wrong in its treatment of the Hamilton Board of Education on its expenditures in 1971, then the Board should be paid the amount of the penalty it incurred for that year's operation. However, the action of the Ministry with regard to the Metropolitan Toronto School Board in 1973 does little to sustain the validity of the expenditure ceilings in the minds of the trustees of other boards, particularly when the expenditure limits for these other boards are already considerably below those of the Metropolitan Toronto School Board.

The fact that a number of boards exceeded the ceilings on expenditures in 1972, as provided in the Regulation regarding general legislative grants, raises the question of the levels to which some boards might

have permitted their expenditures to go if no limits had been set. The great majority of boards, however, managed to restrict their spending within the limits imposed on them by the Regulation, even though the actual expenditure permitted for many of them was considerably below the per pupil amount of others that exceeded their ceilings.

CHAPTER 7

WEIGHTING FACTORS

Provision for the application of "weighting factors" to the basic ceilings to determine both grant and expenditure ceilings for ordinary operation for each board was an important amendment to the Regulation governing general legislative grants. The expressed intention, when the concept of weighting factors was adopted, was to recognize the distinctive needs of each school board. The objective was to provide a better method for a more equitable distribution of general legislative grants and to permit school boards to make additional expenditures, within limits, beyond the amount eligible for grant. Consequently, the basic ceilings are merely starting points for the calculation of the actual grant and expenditure ceilings. The really significant figures for each board are the results obtained when the basic ceiling figure is multiplied by each of the applicable grant weighting factor and applicable expenditure weighting factor for the particular board. The Committee gave special consideration to two aspects of the application of weighting factors. First, the effects on the proportion of a board's expenditures eligible for grant and on the amount of a board's total expenditures and, second, the validity and adequacy of the criteria used to determine the weighting factors.

History of Weighting Factors

In 1970, a "location weighting factor" of 1.1 was allowed for a pupil residing in a provisional county (Haliburton) or in a territorial district, and 1.2 for an elementary school pupil and 1.1 for a secondary school pupil residing in an urban municipality having a population of 190,000 or more. In the latter provision, because the weighting factor was allowed only to boards in urban municipalities with a population of 190,000 or more, the substantial advantage of 1.2 for an elementary pupil and 1.1 for a secondary pupil was confined to boards for Metropolitan Toronto, Ottawa, Hamilton, London and Windsor. No location weighting factor was applicable for pupils in other areas of Southern Ontario. Allowance was also made in 1970 for a "course weighting factor" of 1.1 for a pupil enrolled in a course in français in a secondary school. In the same year,

an amendment to the Regulation provided additional grants for French-language instruction and established additional course weighting factors for this purpose at both the elementary and secondary school levels. This amendment was the result of additional funds being provided for this purpose by the Federal government.

Since 1970, the number and complexity of the weighting factors have increased and they are still being refined. The year of introduction for each factor is shown in Graph 7 and Graph 8. Because 1972 is the last year for which hard data are available from financial reports of boards, the formulae - as issued by the Ministry of Education - for the calculation of the weighting factors for that year are included in Appendix B(a) and B(b) of this Report. Similar information for 1973 and 1974 is also included in Appendix B so that the changes in the formulae for these years are available for comparison. The actual weighting factors for each year are shown in Appendix C.

Application of Grant Weighting Factors in 1972

A number of calculations using weighting factors are required to determine grant ceilings. Two boards have been selected as examples to illustrate these calculations - the Atikokan Board of Education in Northern Ontario and the Dufferin County Board of Education in Southern Ontario. The results of similar calculations for all boards are provided in Appendix D.

(a) Elementary

In 1972, the basic ceiling at the elementary level for all boards was \$595 per pupil. To determine a board's maximum expenditure eligible for grant, the basic ceiling of \$595 was multiplied by the grant weighting factor and by any other special factor that might have been applicable.

In the case of the Atikokan Board of Education, the grant weighting factor was 1.13. Therefore, the product of \$595 and 1.13 gave a figure of \$672.35. The Board's French-language weighting factor of 1.0243 was then applied to the figure of \$672.35 - not to \$595 - giving a grant expendi-

<u>WEIGHTING FACTORS</u>
<u>YEAR OF INTRODUCTION</u>

FOR GRANT PURPOSES

1. SPECIAL EDUCATION				
2. COMPENSATORY EDUCATION				
Welfare				
Taxable Income Under \$4,000				
Language				
Public Housing				
3. FRENCH-ENGLISH COMPOSITE				
4. TECHNICAL AND OCCUPATIONAL				
5. GOODS AND SERVICES				
6. AGE OF SCHOOL FACILITIES				
7. ADMISSIONS				
8. ECONOMIES OF SCALE				
9. INSTRUCTIONAL SALARIES (One-half of allowance for expenditure purposes as calculated for Item 9 below)				

FOR EXPENDITURE PURPOSES

9.	INSTRUCTIONAL SALARIES			
	Experience			
	Qualifications			
	Salary Scale Differentials			
10.	POPULATION DENSITY			

Note: Since the introduction in 1970 of the "location weighting factor" and the "course weighting factor", new categories for inclusion in weighting factors have been established and former classifications of eligible items have been altered. The representations in this Graph are as close as possible to categories in use in 1974.

GRAPH 8

SPECIAL WEIGHTING FACTORS

YEAR OF INTRODUCTION

	1970	1971	1972	1973	1974
COURSE WEIGHTING FACTOR - FRENCH					
FRENCH-LANGUAGE INSTRUCTION					
LOCATION WEIGHTING FACTOR					
LEEWAY FACTOR					
TRAINABLE RETARDED CHILDREN FACTOR					

ture ceiling of \$688.69 (Table 30).

In the case of the Dufferin County Board of Education, the grant weighting factor was 1.000, so that there was no additional allowance for grant purposes. The Board's French-language factor was 1.0166 which, when applied to \$595, gave a figure of \$604.88. Theoretically, the Dufferin County Board of Education could have received grant on an expenditure of \$604.88, or \$83.81 less per pupil when compared with \$688.69 for the Atikokan Board of Education. Actually, the difference was even greater because of the limitation on the expenditure level in 1972 over 1971 of the Dufferin Board, as will be illustrated later.

(b) Secondary

In 1972, the basic ceiling at the secondary level for all boards was \$1,100 per pupil. To determine a board's maximum expenditure eligible for grant, the basic ceiling of \$1,100 was multiplied by the grant weighting factor and by any other special factor that might have been applicable.

In the case of the Atikokan Board of Education, the grant weighting factor was 1.10. Therefore, the product of \$1,100 and 1.10 gave a figure of \$1,210. The Board's French-language weighting factor of 1.00258 was then applied to the figure of \$1,210 - not to \$1,100 - giving a grant expenditure ceiling of \$1,213.12 (Table 30).

In the case of the Dufferin County Board of Education, the grant weighting factor was 1.01 and, when applied to the basic ceiling of \$1,100, the result was \$1,111. The Board's French-language factor was 1.004 and, when applied to \$1,111, gave a figure of \$1,115.44. Theoretically, the Dufferin County Board of Education could have received grant on an expenditure of \$1,115.44, or \$97.68 less than the Atikokan Board. However, because of the limitation imposed on the Dufferin Board by the calculations to determine its maximum expenditure, the difference was even greater than \$97.68, as explained in a later section of this chapter.

TABLE 30

EXAMPLE OF CALCULATION OF GRANT CEILINGS ON ORDINARY EXPENDITURE PER PUPIL IN 1972

Base Ceiling Per Pupil (Col.1)	Grant Weighting Factor (Col.2)	French-Language Factor (Col.3)	Recognized Ordinary Expenditure Per Pupil Cols.1x2x3 (Col.4)	Average Daily Enrolment (Col.5)	Recognized Ordinary Expenditure Total (Col.6)	Ordinary Expenditure Grant Rate Percentage (Col.7)	Grant Calculated on Recognized Ordinary Expenditure Cols.6x7+100 (Col.8)	Actual Grant on Recognized Ordinary Expenditure (Col.9)
ELEMENTARY								
Atikokan Board of Education								
\$ 595.00	1.130	1.0243	\$ 688.69	1,033.95	\$ 712,071	84.34	\$ 600,561	\$ 600,561
Dufferin County Board of Education								
\$ 595.00	1.000	1.0166	\$ 604.88	3,959.59	\$2,140,442	68.44	\$1,464,919	\$1,464,919
SECONDARY								
Atikokan Board of Education								
\$1,100.00	1.100	1.00258	\$1,213.12	626.81	\$ 760,890	88.69	\$ 674,833	\$ 695,954
Dufferin County Board of Education								
\$1,100.00	1.010	1.004	\$1,115.44	1,626.64	\$1,604,619	69.78	\$1,119,703	\$1,119,703

Application of Expenditure Weighting Factors in 1972

Determination of the expenditure ceilings required two calculations for each board at both the elementary and secondary levels. These are illustrated by reference to the same two boards - the Atikokan Board of Education and the Dufferin County Board of Education. The results of similar calculations for all boards are provided in Appendix E.

(a) Elementary

Atikokan Board of Education

(i) The first calculation, to determine the maximum ordinary expenditure for 1972, used the ordinary expenditure of the previous year - 1971 - as the base figure. In the case of the Atikokan Board of Education, the ordinary expenditure in 1971 was \$647.51 per pupil. When the basic increase per pupil in 1972 of \$60.00 was multiplied by the expenditure weighting factor of 1.163, it resulted in a calculated maximum increase of \$69.78. When \$69.78 is added to \$647.51, the maximum ordinary expenditure ceiling is \$717.29 (Table 31).

(ii) The second calculation used the 1972 basic ceiling figure of \$595 and applied the expenditure weighting factor of 1.163, the French-language factor of 1.0243, and the leeway factor of 1.0347, resulting in a maximum ordinary expenditure ceiling of \$733.40.

The grant Regulation required that the lesser of the two figures calculated by these methods be the applicable ceiling. In the case of the Atikokan Board of Education, the allowable expenditure ceiling was \$717.29 in 1972. In fact, the Atikokan Board actually spent \$738.02 in 1972, or \$20.73 in excess of its expenditure ceiling.

Dufferin County Board of Education

(i) The expenditure level for the Dufferin County Board of Education in 1971 was \$468.47 per pupil. The expenditure weighting factor for the Board in 1972, as reported in its Financial Statement for 1972, was 1.012 - as opposed to 1.002 as shown in Schedule A to the grant Regulation. Using the first calculation, if the factor

TABLE 31

EXAMPLE OF CALCULATION OF EXPENDITURE CEILINGS ON ORDINARY EXPENDITURE PER PUPIL, 1972

Calculation 1				Calculation 2							
Ordinary Expen- diture 1971 (Col.1)	Expen- diture W.F. (Col.2)	Maximum Increase Allowed x Expen- diture W.F. (Col.3)	Ordinary Expen- diture Ceiling Col.1 + Col.3 (Col.4)	Base Ceiling (Col.5)	Expen- diture W.F. (Col.6)	French- Language W.F. (Col.7)	Leeway W.F. (Col.8)	Ordinary Expen- diture Ceiling Cols. 5x6x7x8 (Col.9)	Ordinary Expen- diture Ceiling Lesser of Col.4 and Col.9 (Col.10)	Actual Ordinary Expen- diture (Col.11)	(Over) or Under Ordinary Expen- diture Ceiling (Col.12)
ELEMENTARY											
Atikokan Board of Education											
\$ 647.51	1.163	\$69.78	\$ 717.29	\$ 595	1.163	1.0243	1.0347	\$ 733.40	\$ 717.29	\$ 738.02	\$ (20.73)
Dufferin County Board of Education											
\$ 468.47	1.012	\$60.72	\$ 529.19	\$ 595	1.012	1.0166	1.000	\$ 612.14	\$ 529.19	\$ 522.66	\$ 6.53
SECONDARY											
Atikokan Board of Education											
\$1,227.61	1.124	\$84.30	\$1,311.91	\$1,100	1.124	1.00258	1.0353	\$1,283.35	\$1,283.35	\$1,254.83	\$ 28.52
Dufferin County Board of Education											
\$ 952.90	1.010	\$75.75	\$1,028.65	\$1,100	1.010	1.004	1.000	\$1,115.40	\$1,028.65	\$ 933.60	\$ 95.05

of 1.012 is applied to the basic allowable increase of \$60.00, the maximum allowable increase would have been \$60.72. The sum of \$468.47 and \$60.72 amounted to \$529.19 (Table 31).

(ii) The second calculation used the 1972 basic ceiling figure of \$595 and applied the expenditure weighting factor of 1.012, the French-language factor of 1.0166, and the leeway factor of 1.000, giving a figure of \$612.14.

Since the expenditure limit permitted was the lesser of the results of the two calculations, the applicable figure was \$529.19. The Board actually spent \$522.66, or \$6.53 per pupil below its allowable limit.

As a result of the limit of \$529.19 on expenditure, the Dufferin County Board of Education was unable to avail itself of the calculated recognized ordinary grant ceiling of \$604.88, by \$75.69 per pupil. The Atikokan Board of Education was not under any such limitation so that the actual difference in the grant ceilings for the two boards was the difference between \$688.69 for the Atikokan Board of Education and \$529.19 for the Dufferin County Board of Education, or \$159.50 per pupil, or 30 per cent. Since the Dufferin Board spent \$522.66, instead of \$529.19, the actual difference was \$166.03 per pupil.

(b) Secondary

Atikokan Board of Education

(i) The first calculation, to determine the maximum ordinary expenditure for 1972, used the ordinary expenditure of the previous year - 1971 - as the base figure. For the Atikokan Board of Education it was \$1,227.61. The basic increase per pupil in 1972 was \$75.00. When the latter figure was multiplied by the expenditure weighting factor of 1.124, the amount was \$84.30. The sum of \$1,227.61 and \$84.30 resulted in a maximum ordinary expenditure ceiling of \$1,311.91 by this calculation (Table 31).

(ii) The second calculation used the 1972 basic ceiling of \$1,100

and applied the expenditure weighting factor of 1.124, the French-language factor of 1.00258, and the leeway factor of 1.0353, for a maximum ordinary expenditure ceiling of \$1,283.35.

Again, the grant Regulation required that the lesser of the results of the two calculations be used, so that the applicable expenditure ceiling in 1972 was \$1,283.35.

Dufferin County Board of Education

(i) The expenditure level for the Dufferin County Board of Education in 1971 was \$952.90. The expenditure weighting factor in 1972 was 1.01. Using the first calculation, and applying the factor of 1.01 to the basic allowable increase of \$75.00, the maximum allowable increase was \$75.75. The sum of \$952.90 and \$75.75 was \$1,028.65 (Table 31).

(ii) The second calculation used the 1972 basic ceiling figure of \$1,100 and applied the expenditure weighting factor of 1.01, the French-language factor of 1.004, and the leeway factor of 1.000, giving a figure of \$1,115.40.

Since the expenditure limit permitted was the lesser of the results of the two calculations, the applicable expenditure ceiling was \$1,028.65. The Board actually spent \$933.60, or \$95.05 per pupil below its allowable limit.

As a result of the limit of \$1,028.65 on expenditure, the Dufferin County Board of Education was unable to spend up to the calculated recognized ordinary grant ceiling of \$1,115.44 by \$86.79 per pupil. Again, the Atikokan Board of Education did not have any such limitation so that the actual difference in the grant ceilings for the two boards was the difference between \$1,213.12 for the Atikokan Board and \$1,028.65 for the Dufferin Board, or \$184.47 per pupil, or almost 18 per cent. Since the Dufferin Board spent \$933.60, instead of \$1,028.65, the actual difference between the two boards in the amount eligible for grant was \$279.52 per pupil, or 30 per cent.

Difference in Expenditure Weighting Factors in 1972

There were extreme differences in the expenditure weighting factors assigned to boards in 1972 (Appendix E). The factors were much greater for the large urban boards than for most others. For example, the factor for the Metropolitan Toronto School Board at the elementary level was 1.213. The comparable factor for the Metropolitan Separate School Board was 1.157. Similarly, the comparable factors for the York County Board of Education and the York County R.C.S.S. Board were 1.03 and 1.00 respectively. While there was a substantial difference of .056 between the two boards serving the same Metropolitan Toronto area, and of .03 between the two boards in York County, the difference between the Metropolitan Toronto School Board and the York County Board of Education was .183, or 17.8 per cent, and between the Metropolitan Separate School Board and the York County R.C.S.S. Board, the difference was .157, or 15.7 per cent. In any consideration of weighting factors, it is difficult to escape the conclusion that the criteria for their determination have been developed, at least in part, with the objective of accommodating the higher spending levels already established by a few boards, rather than to meet the respective educational needs of all boards. In addition to the examples already given, how else can one explain an expenditure weighting factor at the elementary level for the Metropolitan Toronto School Board of 1.213 and for the Peterborough County Board of Education of 1.011, a difference of .202, or almost 20.0 per cent? Or how can the weighting factor of 1.044 at the elementary level for the Frontenac County Board of Education be the largest for the six boards in the second group listed in Table 32, while all boards in the first group are more than 10 per cent higher? Similar comparisons can be made for expenditure weighting factors for the secondary school boards shown in Table 33. The criteria used in the development of the weighting factors are responsible for the differences referred to above. A detailed analysis of these criteria is made later in this chapter.

Comparison of Maximum Expenditure Limits in 1971 for Selected Boards

The data for a sampling of elementary school boards showed that expenditure levels in 1971 for all six boards in the large cities were above

TABLE 32

EXPENDITURE CEILINGS ON ORDINARY EXPENDITURE PER PUPIL, ACTUAL ORDINARY

EXPENDITURE AND INCREASE OVER 1971 FOR SELECTED BOARDS

ELEMENTARY	1972				
	Ordinary Expenditure 1971	Expenditure Weighting Factor 1972	Ordinary Expenditure Ceiling 1972	Ordinary Expenditure 1972	Increase in Ordinary Expenditure 1972
Hamilton B. of Ed.	\$615.37	1.170	\$685.57	\$680.71	65.34
London B. of Ed.	664.87	1.150	692.05	692.05	27.18
Metropolitan Toronto School Board	750.85	1.213	786.00	785.64	34.79
Metropolitan Separate School Board	613.16	1.157	682.58	655.06	41.90
Ottawa B. of Ed.	780.23	1.196	806.37	806.14	25.91
Windsor B. of Ed.	642.89	1.150	702.10	689.74	46.85
Brant County B. of Ed.	539.57	1.030	601.37	586.77	29.20
Frontenac County B. of Ed.	604.44	1.044	666.42	633.23	28.79
Halton County B. of Ed.	538.19	1.027	599.81	579.04	40.85
Peel County B. of Ed.	549.53	1.022	610.85	600.34	50.81
Peterborough County B. of Ed.	558.87	1.011	616.40	616.36	57.49
York County B. of Ed.	551.27	1.030	613.07	594.14	42.87

TABLE 33

EXPENDITURE CEILINGS ON ORDINARY EXPENDITURE PER PUPIL, ACTUAL ORDINARY
EXPENDITURE AND INCREASE OVER 1971 FOR SELECTED BOARDS

1972

SECONDARY

	Ordinary Expenditure 1971	Expenditure Weighting Factor 1972	Ordinary Expenditure Ceiling 1972	Ordinary Expenditure 1972	Increase in Ordinary Expenditure 1972
Hamilton B. of Ed.	\$1,108.83	1.084	\$1,190.13	\$1,190.13	81.30
London B. of Ed.	1,173.86	1.082	1,232.73	1,232.73	58.87
Metropolitan Toronto School Board	1,204.11	1.111	1,281.62	1,281.40	77.29
Ottawa B. of Ed.	1,161.51	1.090	1,233.04	1,232.02	70.51
Windsor B. of Ed.	1,094.97	1.075	1,175.60	1,175.53	80.58
Brant County B. of Ed.	1,022.26	1.012	1,098.16	1,073.53	51.27
Frontenac County B. of Ed.	1,027.47	1.028	1,104.57	1,080.59	53.12
Halton County B. of Ed.	957.13	1.013	1,033.11	1,026.15	69.02
Peel County B. of Ed.	1,089.72	1.004	1,154.12	1,117.35	27.63
Peterborough County B. of Ed.	1,028.79	1.010	1,104.54	1,094.91	66.12
York County B. of Ed.	1,032.13	1.003	1,107.36	1,092.94	60.81

the highest level of the six boards in a second group (Table 32). The Ottawa Board of Education, at \$780.23 per pupil, had the highest level of expenditure of all boards in the province. The Metropolitan Toronto School Board was next at \$750.85 per pupil. These two boards were the only ones that exceeded \$700 per pupil in 1971. The Metropolitan Separate School Board spent \$613.16 per pupil, or \$137.69 less than the Metropolitan Toronto School Board - the two latter boards having jurisdiction over the same geographic area.

The boards in the second group of six, as shown in Table 32, were established on January 1, 1969, as a result of the creation of the county and district boards. In 1971, the Frontenac County Board of Education, which includes the City of Kingston, spent \$604.44 per pupil. The remaining boards clustered around the \$550 level with the lowest being the Halton County Board of Education at \$538.19. The differentials between the latter board and the Ottawa Board of Education at \$780.23 and the Metropolitan Toronto School Board at \$750.85, were \$242.04 and \$212.66 per pupil respectively.

Comparisons of Expenditures in 1972

Comparisons of expenditures by boards in 1972 reveal some sizable differences (Appendix E). The Haldimand-Norfolk County R.C.S.S. Board, at \$491.18 per pupil, spent the least amount of any elementary school board in the province. The lowest-spending board in the Public School panel was the Victoria County Board of Education at \$494.45. The highest-spending board was the Ottawa Board of Education at \$806.14. The Metropolitan Toronto School Board was the second highest at \$785.64. The Ottawa R.C.S.S. Board and the Metropolitan Separate School Board spent \$724.32 and \$655.06 respectively. The York County Board of Education, whose jurisdiction adjoins Metropolitan Toronto on the north, spent \$594.14 per pupil, or \$191.50, or 32 per cent less than the Metropolitan Toronto School Board.

At the extremes, the Haldimand-Norfolk County R.C.S.S. Board spent \$491.18, while the Ottawa Board of Education spent \$806.14, a difference of \$314.96 per pupil, or 64 per cent. The Ottawa R.C.S.S. Board spent

\$724.32, so that the difference between it and the Haldimand-Norfolk County R.C.S.S. Board was \$233.14 per pupil, or 47 per cent. Between the Ottawa Board of Education and the Ottawa R.C.S.S. Board, the difference was between \$806.14 and \$724.32, or \$81.82, or 11 per cent. For the Metropolitan Toronto School Board and the Metropolitan Separate School Board, the difference was between \$785.64 and \$655.06, or \$130.58, or almost 20 per cent.

In Northern Ontario, the Lakehead Board of Education spent \$660.61 per pupil, or \$56.68 less than the allowable expenditure ceiling of \$717.29 for the Atikokan Board of Education. The differences between the figures for these two boards and the highest-spending Ottawa Board of Education at \$806.14 were \$145.53 and \$88.85 respectively.

Comparisons at the secondary school level reveal similar wide variations in the expenditures by boards. The data for the Atikokan Board of Education and the Dufferin County Board of Education, as provided in Table 31, illustrate the differences. The complete data for all boards are provided in Appendix E.

Allowable Increase in Expenditures by Boards in 1974

In August, 1973, the Minister of Education announced that the limitation on the amount of a board's increase in expenditure over its previous year's outlay would be discontinued. In 1974, a board was to be allowed to spend up to the basic expenditure level of \$683 at the elementary level and \$1,210 at the secondary level. In April, 1974, these figures were raised to \$704 and \$1,231 respectively. They were, of course, subject to application of grant and expenditure weighting factors so that the maximum allowable levels were even higher. In addition, a board's expenditure was subject to the increase permitted by the eligible sum for French-language instruction and the expenditures for tuition fees.

A second calculation might permit a board to have an even higher expenditure level. For an elementary board, if the product of 1.11746 (the result of the increase in the basic ceiling from \$630 in 1973 to \$704 in

1974) and the previous year's expenditure, as defined in the Regulation,¹ were greater, the result of this calculation would apply. For a secondary school board, the factor is 1.08938 (the result of the increase in the basic ceiling from \$1,130 in 1973 to \$1,231 in 1974).

The decision to remove completely the limitation on the amount of the increase over the previous year's expenditure means that, theoretically, a relatively low-spending board will now be free to make a substantial increase in its expenditures in one year. Consequently, after being held in relatively close restraint for a number of years, low-spending boards are now permitted to make a much greater increase in expenditures in one year. If, in previous years, the Ministry of Education had allowed more realistic annual increases for lower-spending boards, it would have been possible for them to plan more effectively and to reduce more rapidly the inequities between the programs they could offer and those already provided by other boards. Reduction in the gap in expenditures would have contributed to greater equality of opportunity for the pupils of low-spending boards.

We have stated that in 1974 a lower-spending board will, theoretically, be able to eliminate the gap between the level of its expenditure per pupil and the level of expenditure per pupil of the higher-spending boards. In practice, however, any increase considered desirable or necessary by boards that have been low spenders in the past will still be limited by the amount that can be raised through a reasonable increase in local mill rates for education. The necessity to raise, through increased property tax, the proportion of any additional expenditure not provided by general legislative grant will effectively deter many of these boards from spending up to the levels permitted by the basic ceilings multiplied by their applicable weighting factors. Consequently, the disparities imposed by the limitation on the amount of the annual increase in past years will continue to exist to some degree for a number of boards, at least for the years immediately ahead.

¹Regulation - General Legislative Grants, 1974, Section 7, pp. 9-10.

Effect of Weighting Factors in 1974

Even if it is assumed that boards, formerly limited to lower-spending levels, are able to finance expenditures in 1974 up to the levels of the basic ceilings multiplied by the weighting factors, inequities and disparities will continue to exist. It can be argued, of course, that the whole purpose of the weighting factors is to ensure differences among boards in the amounts of their expenditures eligible for grant and in the amounts of their total expenditures. It may also be claimed that the unique characteristics which the weighting factors purport to measure justify the differences in the amount of the funds provided. An analysis of the figures in Table 34, however, illustrates the inappropriateness of the results of the application of the weighting factors in a selected sampling of boards having jurisdiction in the same, or adjacent, geographic areas.

(a) Grant Weighting Factors

In the Metropolitan Toronto area, the total grant weighting factor for 1974 at the elementary level for the Metropolitan Toronto School Board is .109, or almost 11 per cent. For the Metropolitan Separate School Board, the grant weighting factor is .058, or slightly in excess of half the Public School factor. The result is that the Metropolitan Toronto School Board is eligible to receive grant on an expenditure of \$780.74, while the Metropolitan Separate School Board can receive grant on \$744.83, a difference of \$35.91 per pupil.

Analysis of the data in Table 34 shows disparities among a sampling of other boards serving the same, or adjacent, geographic areas in other parts of the province. Of the three boards adjoining Metropolitan Toronto, the Durham Board of Education has a grant weighting factor of .026 that permits it to receive grant on an expenditure of \$722.30 per pupil. Similar figures for the Peel County Board of Education are .024 and \$720.90, and the York County Board of Education, .028 and \$723.71. The difference between the Metropolitan Toronto School Board at \$780.74 and these three boards is in the range of \$57 to \$60 per pupil in favour of the Metropolitan Toronto School Board. Similarly, the Metropolitan Separate School

TABLE 34

EFFECT OF WEIGHTING FACTORS ON BASIC CEILING
OF \$704.00 PER PUPIL FOR 1974 FOR SELECTED BOARDS

ELEMENTARY

	<u>Basic Expenditure Ceiling</u>	<u>Total Weighting Factor for Grant</u>	<u>Maximum Expenditure Eligible for Grant</u>	<u>Total Weighting Factor for Expenditure</u>	<u>Maximum Expenditure</u>
Metropolitan Toronto School Board	\$704.00	.109	\$780.74	.257	\$884.93
Metropolitan Separate School Board		.058	744.83	.171	824.38
Durham Board of Education		.026	722.30	.026	722.30
Durham Region R.C.S.S. Board		.019	717.38	.019	717.38
Peel Board of Education		.024	720.90	.048	737.79
Dufferin-Peel R.C.S.S. Board		.014	713.86	.018	716.67
York County Board of Education		.028	723.71	.054	742.02
York County R.C.S.S. Board		.022	719.49	.033	727.23
Halton Board of Education		.026	722.30	.041	732.86
Halton R.C.S.S. Board		.000	704.00	.000	704.00
Ottawa Board of Education		.094	770.18	.263	889.15
Ottawa R.C.S.S. Board		.064	749.06	.179	830.02
Carleton Board of Education		.032	726.53	.051	739.90
Carleton R.C.S.S. Board		.035	728.64	.036	729.34

Board is eligible to receive grant on an expenditure of \$744.83, while the three adjoining Separate School boards in the Durham Region and Peel and York Counties can receive grant on \$717.38, \$713.86, and \$719.49 respectively, a difference in the range of \$25 to \$31 per pupil.

The Durham Board of Education with a factor of .026 has a grant eligibility level of \$722.30. The Halton Board of Education has exactly the same allowance. The Durham Region R.C.S.S. Board has a grant weighting factor of .019 and a grant eligibility level of \$717.38. But the Halton R.C.S.S. Board has no grant weighting factor, so its maximum expenditure eligible for grant is \$704.00, the lowest of any board in the province.

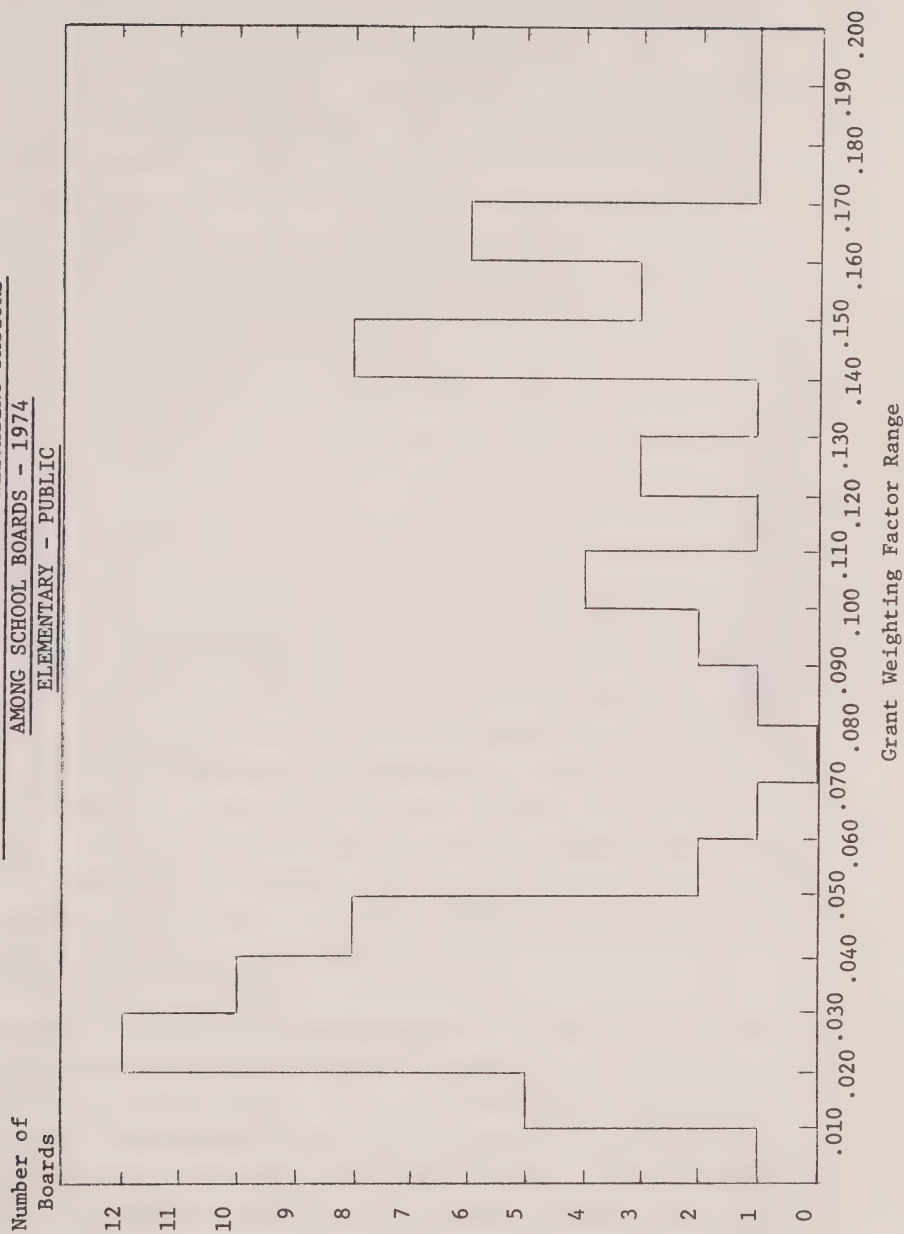
In the Ottawa area, the Ottawa Board of Education has a grant weighting factor of .094 and a grant eligibility level of \$770.18 per pupil. The corresponding figures for the Ottawa Separate School Board are .064 and \$749.06. But in the adjoining jurisdiction, the Carleton Board of Education has a factor of .032 and a grant eligibility level of \$726.53. The Carleton R.C.S.S. Board has a factor of .035 and an expenditure level eligible for grant of \$728.64. Therefore, while the Ottawa Board of Education has a grant weighting factor almost 47 per cent higher than the Ottawa Separate School Board, the Carleton Board of Education, in the adjacent area, has a lower factor than the Carleton R.C.S.S. Board.

Of the boards in the sample, the Metropolitan Toronto School Board has the greatest amount eligible for grant at \$780.74 per pupil. The Ottawa Board of Education is next at \$770.18 per pupil. The Halton R.C.S.S. Board is the lowest at \$704.00. The majority of the remaining boards are in the \$720 to \$730 range. The difference between the Metropolitan Toronto School Board at \$780.74 and the Halton R.C.S.S. Board at \$704.00 is \$76.74 per pupil.

The number of boards by level of grant weighting factor in 1974 is shown for Public Schools in Graph 9 and for Roman Catholic Separate Schools in Graph 10.

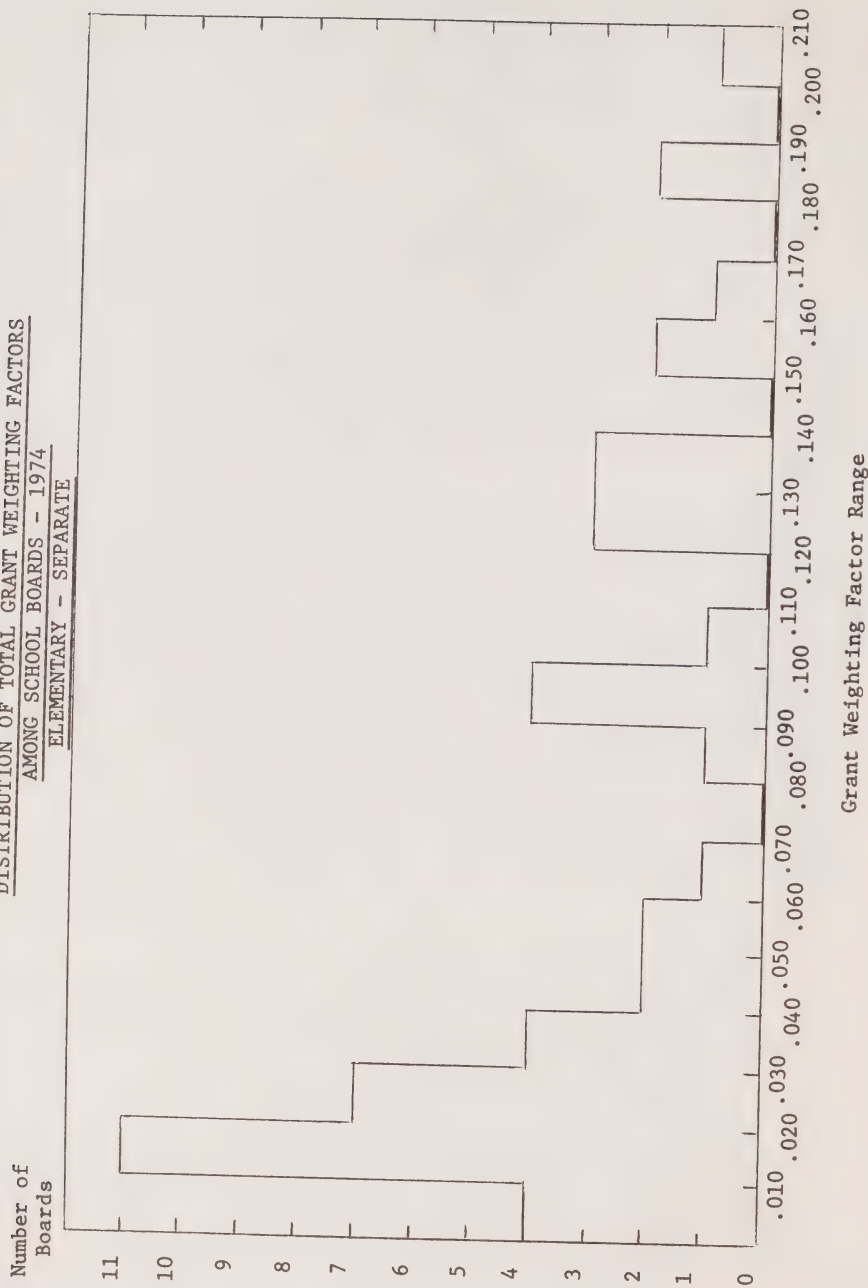
GRAPH 9

DISTRIBUTION OF TOTAL GRANT WEIGHTING FACTORS AMONG SCHOOL BOARDS - 1974 ELEMENTARY - PUBLIC



GRAPH 10

DISTRIBUTION OF TOTAL GRANT WEIGHTING FACTORS
AMONG SCHOOL BOARDS - 1974
ELEMENTARY - SEPARATE



(b) Expenditure Weighting Factors

On the expenditure side, the differences in the amounts of money available to school boards are even greater. The Metropolitan Toronto School Board, with an expenditure weighting factor of .257 at the elementary level, can spend \$884.93 per pupil, while the Metropolitan Separate School Board, with a factor of .171, can spend \$824.38, a difference of \$60.55 per pupil in favour of the Metropolitan Toronto School Board. The Durham Board of Education has no additional expenditure factor over the grant weighting factor of .026 so its maximum expenditure level is \$722.30. Consequently, the Metropolitan Toronto School Board at \$884.93 can spend \$162.63 per pupil, or 22.5 per cent, more than the Durham Board of Education. The Metropolitan Separate School Board at \$824.38 can spend \$107.00 more than the Durham Region R.C.S.S. Board at \$717.38.

In the Ottawa area, the Ottawa Board of Education has an expenditure weighting factor of .263 and an expenditure ceiling of \$889.15, the highest of any board in the sample or in the province. The Ottawa Separate School Board has a factor of .179 and a ceiling of \$830.02. The difference in the expenditure ceilings is, therefore, \$59.13 per pupil. Between the Carleton Board of Education at \$739.90 and the Ottawa Board of Education, the difference is \$149.25 per pupil. Between the Ottawa Separate School Board at \$830.02 and the Carleton R.C.S.S. Board at \$729.34, the difference is \$100.68. But, whereas the Carleton Board of Education has a smaller sum per pupil eligible for grant than the Carleton R.C.S.S. Board, it has a higher expenditure level by \$10.56 per pupil.

The extreme differences among the boards in Table 34 are between the Ottawa Board of Education at \$889.15 and the Halton R.C.S.S. Board at \$704.00, or \$185.15 per pupil, or 26 per cent. Under existing methods of financing education, if the Halton R.C.S.S. Board is unable to spend at the level of \$704.00 per pupil in 1974, because it is unable to increase local property taxes to pay the proportion of the additional expenditure not covered by legislative grants, the disparities will be even greater. Since the Ottawa Board of Education has been spending at its maximum allowable level in past years,

it is likely to spend at or near the level of \$889.15 in 1974. Therefore, the extent of the actual difference will be at least \$185.15 per pupil with the strong possibility that it will be even greater.

The number of boards by level of expenditure weighting factor in 1974 is shown for Public Schools in Graph 11 and for Roman Catholic Separate Schools in Graph 12.

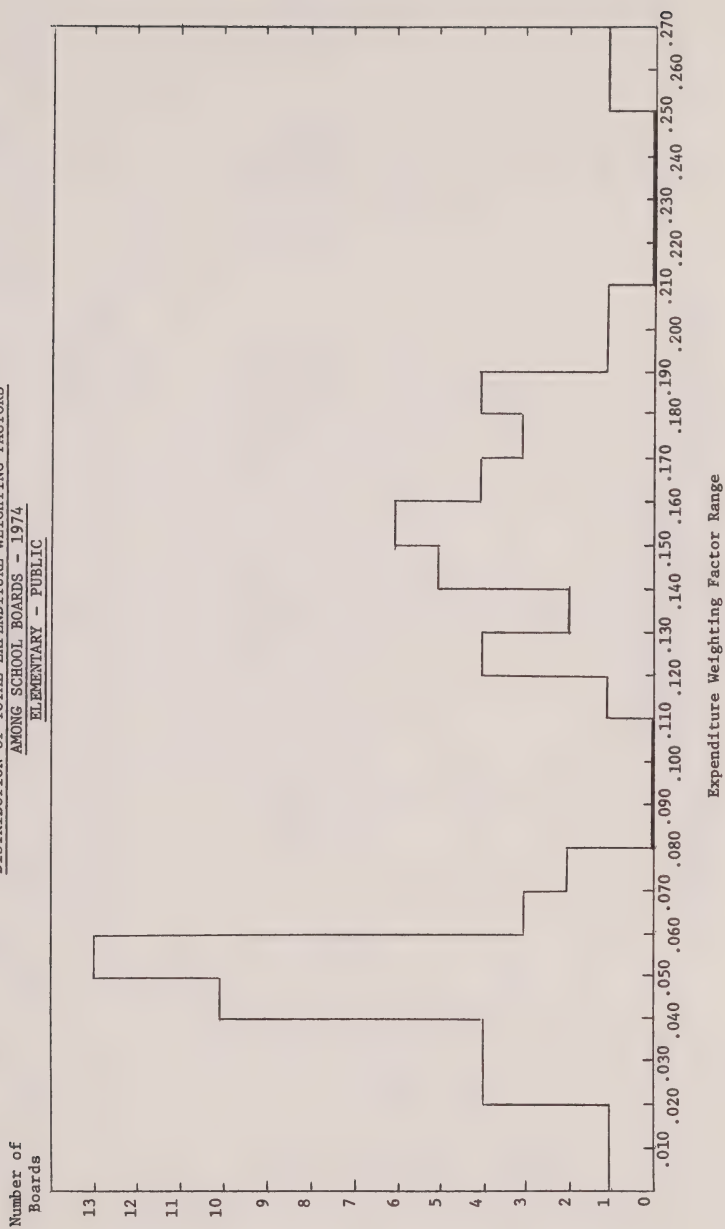
Similar comparisons, for both grant weighting factors and expenditure weighting factors, can be made among secondary school boards from the data provided in Table 35. The number of boards by level of grant weighting factor and expenditure weighting factor for secondary schools is shown in Graph 13 and Graph 14.

Weighting Factors and Rate of Grant

The rate of grant applicable to the proportion of a school board's expenditure eligible for grant is determined in part by the equalized assessment of the board divided by the weighted pupil enrolment. Since the Halton R.C.S.S. Board has no weighting factor, the equalized assessment is divided by the actual pupil enrolment for grant purposes. Other allowances may alter the use of the actual enrolment. But, in the case of the Metropolitan Toronto School Board, the actual number of pupils is multiplied by the grant weighting factor of .109 to give the number of weighted pupils. The result is then divided into the Board's equalized assessment. Consequently, the grant weighting factor has the effect of increasing the Board's rate of grant on all its recognized ordinary expenditures. The increase in the rate of grant, as a result of using the weighted pupil enrolment instead of the actual pupil enrolment, when applied to all the recognized ordinary expenditure of a board - such as the Metropolitan Toronto School Board - can involve a substantial amount of money. In Southern Ontario, the large city boards usually have the largest grant weighting factors so that they benefit to a greater extent than other boards. Consequently, the grant weighting factors, in addition to the benefits they provide in allowing greater expenditures eligible for grant, also provide a higher rate of grant on all expenditures

GRAPH 11

DISTRIBUTION OF TOTAL EXPENDITURE WEIGHTING FACTORS
AMONG SCHOOL BOARDS - 1974
ELEMENTARY - PUBLIC



GRAPH 12

DISTRIBUTION OF TOTAL EXPENDITURE WEIGHTING FACTORS
AMONG SCHOOL BOARDS - 1974
ELEMENTARY - SEPARATE

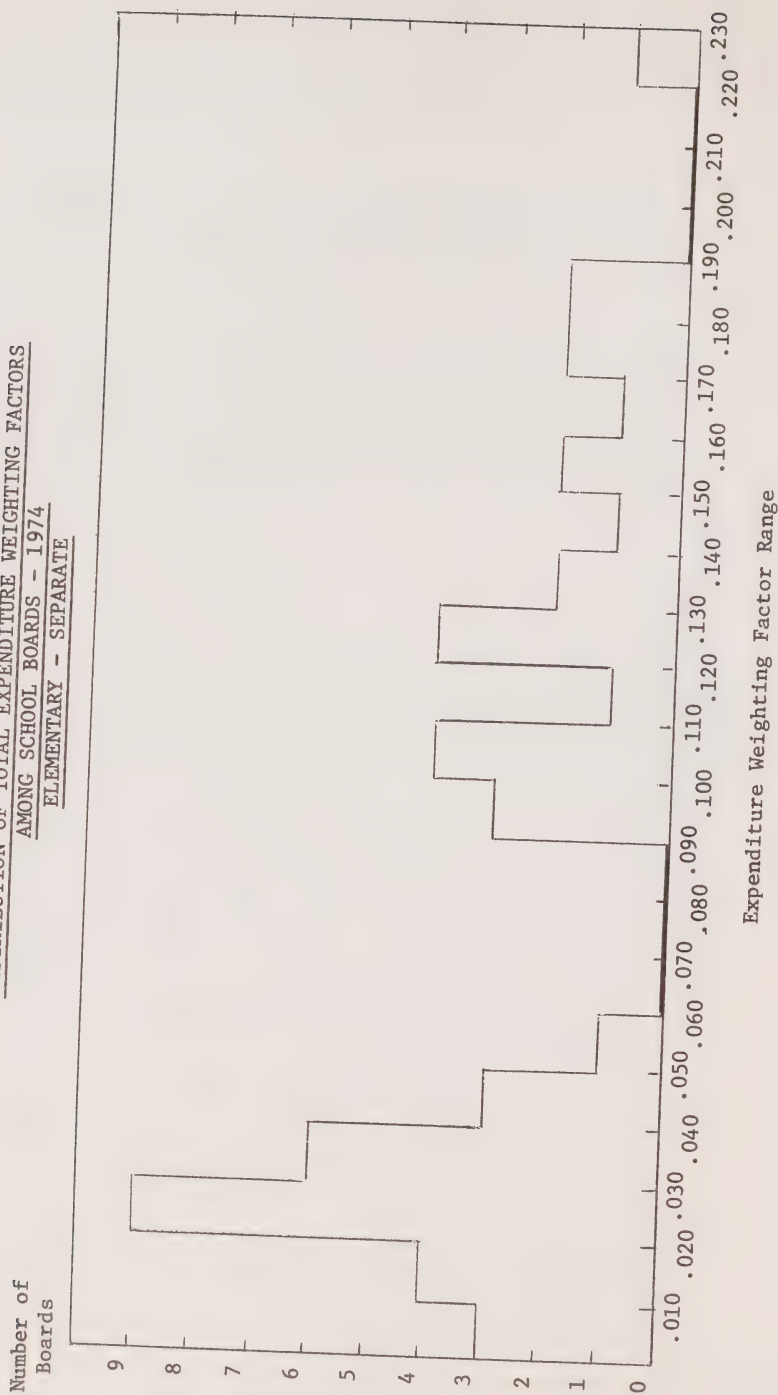
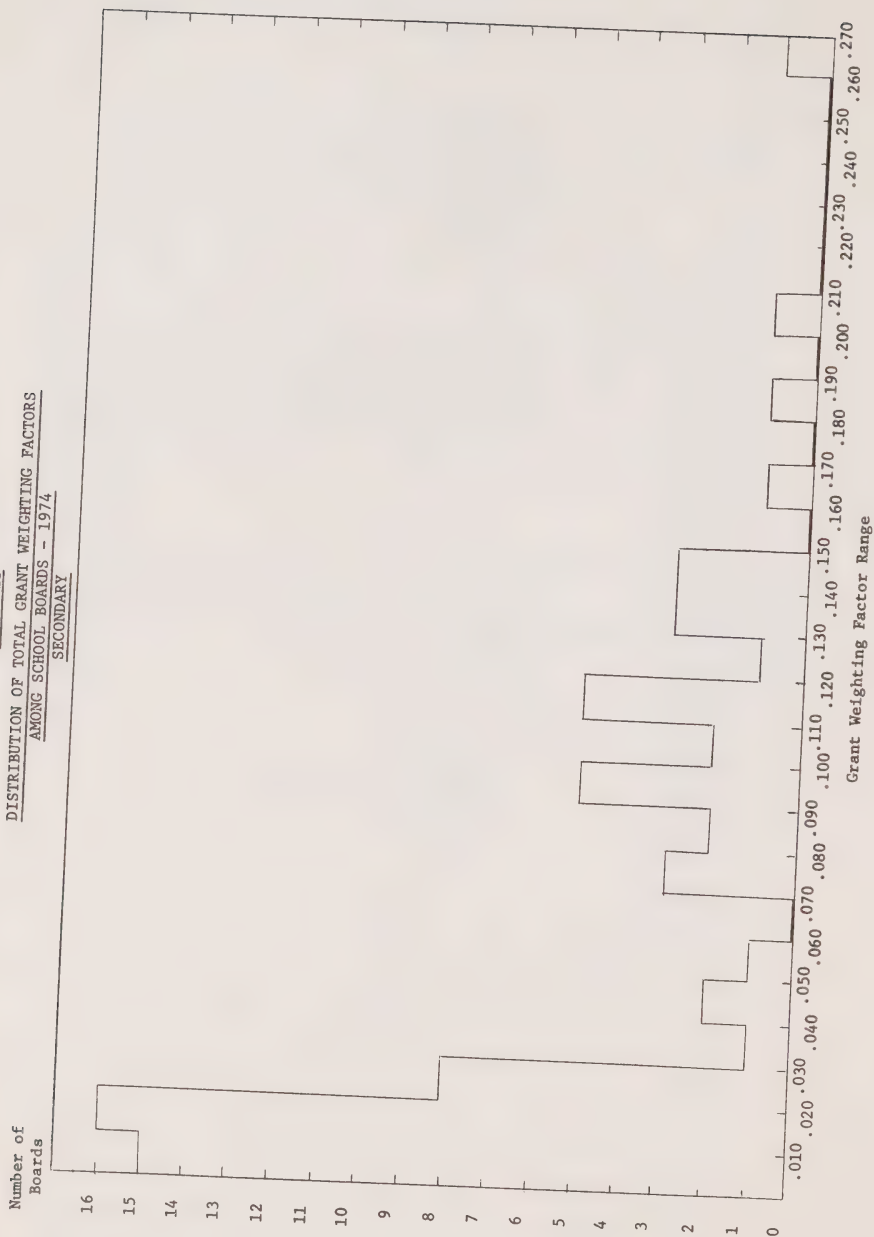


TABLE 35
EFFECT OF WEIGHTING FACTORS ON BASIC CEILING
OF \$1,231.00 PER PUPIL FOR 1974 FOR SELECTED BOARDS

SECONDARY

	Basic Expenditure Ceiling	Total Weighting Factor for Grant	Maximum Expenditure Eligible for Grant	Total Weighting Factor for Expenditure	Maximum Expenditure
Metropolitan Toronto School Board	\$1,231.00	.065	\$1,311.02	.161	\$1,429.19
Durham Board of Education		.017	1,251.93	.032	1,270.39
Peel Board of Education		.020	1,255.62	.035	1,274.09
York County Board of Education		.018	1,253.16	.036	1,275.32
Halton Board of Education		.018	1,253.16	.033	1,271.62
Ottawa Board of Education		.033	1,271.62	.104	1,359.02
Carleton Board of Education		.034	1,272.85	.047	1,288.86

GRAPH 13
 DISTRIBUTION OF TOTAL GRANT WEIGHTING FACTORS
 AMONG SCHOOL BOARDS - 1974
 SECONDARY



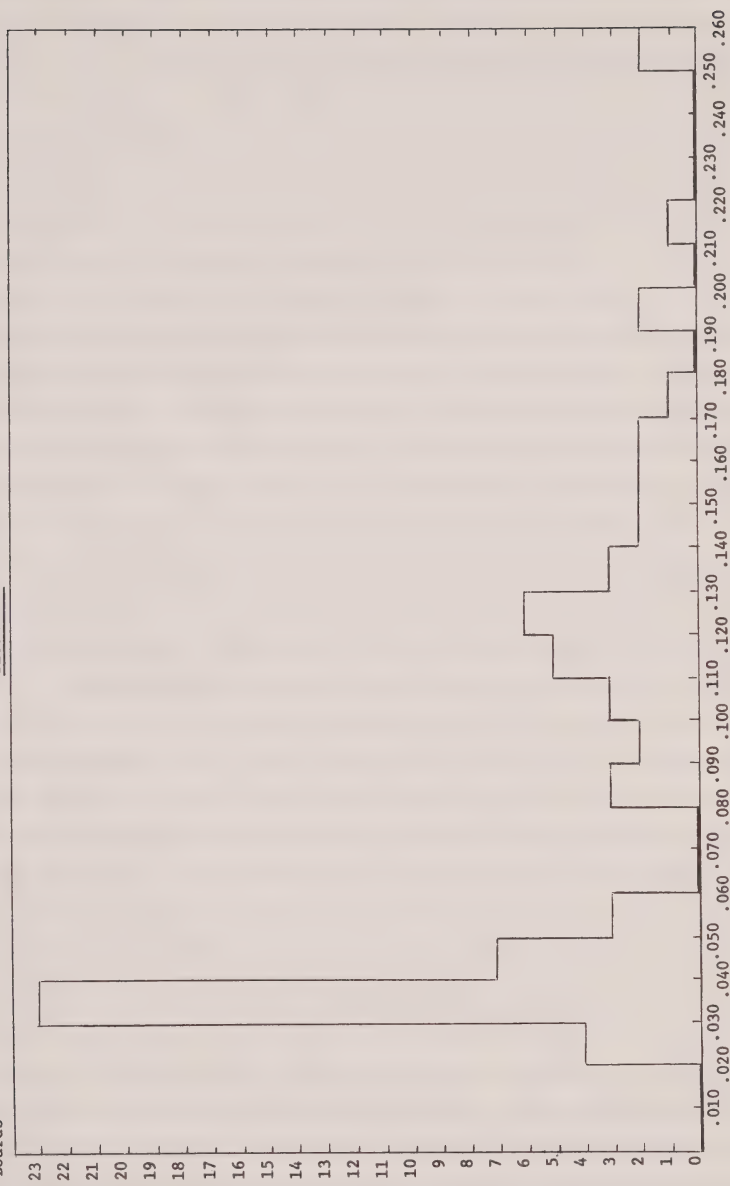
GRAPH 14

DISTRIBUTION OF TOTAL EXPENDITURE WEIGHTING FACTORS

AMONG SCHOOL BOARDS - 1974

SECONDARY

Number of
Boards



Expenditure Weighting Factor Range

eligible for grant. That higher rate of grant applies not only to the additional approved costs allowed by the grant weighting factor, but on all other approved costs as well. This is an inequitable procedure that again confers a greater advantage to higher-spending boards.

Factors Affecting Levels of Expenditures by Boards

A multiplicity of factors influence the level of expenditure of a school board. A small number of boards in the largest cities reached relatively high levels of expenditure during the period before the imposition of the ceilings in 1971 and have had increased expenditures each year since then. Some of these boards attempt to justify the need for higher levels of grant and expenditure on the basis of unique circumstances and conditions in their jurisdictions. It is recognized that there are differences in the nature and extent of the educational problems that exist for boards in large urban municipalities when compared with those for boards that include small communities and rural areas. For example, a considerable proportion of new immigrants to Canada settle in Metropolitan Toronto and provide a potential for enrichment of the human resources and the cultural life of the community. When they first arrive, the Metropolitan Toronto School Board is often required to provide special language programs for the children for whom English is not their first language.

A second example is the field of special education where sophisticated programs were developed in the large cities before the new county and district boards were established. The Metropolitan Toronto School Board and its constituent Public School boards claim that they have a need for and provide a more comprehensive special education program at the elementary level than most boards in the province. There is no doubt that these boards provide a wide range of special education services. As partial justification of the need for greatly increased grant and expenditure weighting factors for this aspect of their operations, representatives of the boards have on occasion claimed that parents, who have children with learning handicaps, move their families to Metropolitan Toronto so that their children can have the advantage of these services. If this is so, it emphasizes the fact that other boards are unable to provide special education programs comparable to those made available by the Public School boards in Metropolitan Toronto. If the

latter boards are given special financial allowances not available to boards serving other parts of the province, the trend towards a concentration of special education programs in Metropolitan Toronto will continue, even though many of the county and district boards are capable of developing comparable special education services, if permitted to do so. Surely, parents should not be required to move their families and to change their places of employment to the Metropolitan Toronto area to enable their children to receive the kind of education they require. In any case, there are many parents who are unable to alter their circumstances so drastically, regardless of the educational needs of their children. Nor should they be required to do so.

In the case of the Ottawa Board of Education, there were undoubtedly additional costs associated with French-language instruction at the elementary school level. The Ottawa R.C.S.S. Board also had to provide instruction in both English and French but the total expenditure in 1972 at \$724.32 was \$81.82 below the figure of \$806.14 for the Ottawa Board of Education. The Sudbury Board of Education and the Sudbury R.C.S.S. Board, both of which provided French instruction at the elementary level, had expenditures in 1972 of \$688.54 and \$679.40 respectively, both well below the amounts of \$806.14 and \$724.32 respectively for the Ottawa boards. Numerous other examples could be cited to show that circumstances and conditions in one jurisdiction will not apply with equal force in another area.

It is, however, quite wrong to conclude that the unique problems in the Metropolitan Toronto area and in a few of the largest municipalities are any greater proportionately than other problems peculiar to many boards having jurisdiction in other parts of the province. For example, boards for the Kenora area and for Manitoulin Island are making efforts to teach Indian children in their native language. The Manitoulin Board of Education has introduced classes in Ojibway and in Indian studies and has reduced the teacher:pupil ratio to help meet the special needs of some Indian children. While the Federal government contributes towards payment of the costs of these programs by the Manitoulin Board, the expenditures for them must be accommodated within the Board's weighted expenditure ceilings set by the Ministry of Education.

When a Public School board and a Separate School board have jurisdiction in the same geographic area, most of the problems faced by one board are likely to be encountered in some comparable degree by the other. While the difficulties to be overcome in a large urban area may differ in nature and extent from those to be met in adjoining suburban municipalities, they are not wholly different or unrelated. Often, there is a high degree of similarity in the circumstances existing in the areas served by neighbouring suburban boards, Public and Separate. The contention that there are particular needs of great magnitude in the jurisdiction of one board that are not compensated for by other needs of proportional dimensions under another board is not borne out by the facts. All too often a few boards have attempted to justify their claims for higher levels of eligibility for grants and expenditures for their unique problems without an adequate knowledge of the circumstances existing in other board jurisdictions. In the absence of concrete examples supported by sound data and fair comparisons with other boards, the myth of unmatched problems should not be allowed to generate additional funds for high-spending boards, particularly where the additional funds are provided through legislative grants derived from the taxes contributed by all the taxpayers in the province.

This is not to say that adequate provision should not be made for the financing of essential special education programs provided by Public School boards in Metropolitan Toronto. It does question the fairness of the comparative allowances made through the grant and expenditure weighting factors to boards serving the same geographic area, and to county and district boards serving adjoining municipalities in other parts of the province. It is our view that the weighting factors recognize existing programs of some boards to a far greater degree than they encourage the provision of programs to take care of unmet needs in other board jurisdictions.

Effects of Weighting Factors

The actual effect of the imposition of additional, and progressively refined, weighting factors and of the limitations in effect before 1974 on the amount of the annual increase for boards, where spending was at a relatively low level prior to 1969, was to increase the disparity in the

amounts of expenditures eligible for grant and the amounts that boards could spend on their pupils. While it might be argued that there was a limit to the increase in expenditures that a board could make while still practising sound planning and good management, no board at a low level of expenditure should have been limited by a decision of the Ministry of Education to a lesser increase in any year than a board at a higher level of expenditure. Surely the reverse ought to have been the pattern, with the lower-spending boards being permitted a substantially greater increase to permit them to develop their programs to a more comparable level. The criticism is not that some control on the amount of increase in any one year was unjustified, but rather that the formula prevented lower-spending boards from attaining greater equity with higher-spending boards. In practice, the boards that were relatively high spenders were rewarded, while the lower-spending boards, that were unable to offer comparable programs for their pupils in the past, were penalized for their earlier more limited spending.

The weighting factors, for both grant and expenditure purposes, continue to produce results that are difficult to justify. The differences among boards in the amounts of their expenditures eligible for grant illustrate the situation. A principle of the grant plan is designed to arrive at an equitable rate of grant for a board, based on equalized assessment per weighted pupil. If that principle functions as it should, some considerable equity should be achieved, subject to the inadequacies of assessment practices as we have described them earlier in this Report. But then, to apply the rates of grant calculated on this basis to different amounts of the expenditures by boards distorts the equalizing effects of the applicable rates of grant. So, while there is an attempt to treat boards on an equitable basis, the effect of the application of the total grant weighting factor is to work in the opposite direction.

An analysis of the effects of the grant and expenditure weighting factors for 1974 shows a wide range of expenditures eligible for grant and a great difference in the total expenditures permitted. At the elementary level, the grant ceilings range from \$704.00 to \$851.14, a difference of \$147.14. At the secondary level, the range for grant purposes is from \$1,248.13 to \$1,551.06, a difference of \$302.93.

On the expenditure side, the range at the elementary level is from \$704 to \$889.15, a difference of \$185.15. At the secondary level, it is from \$1,263.01 to \$1,551.06, a difference of \$288.05.

All of these figures are subject to adjustment to take into account such considerations as the French-language factor and other calculations required by the Regulation governing grants and expenditures. In practice, the ranges are likely to be even greater if lower-spending boards are unable to spend up to the allowable ceilings.

One of the major objectives, when county and district school divisions were established on January 1, 1969, was to achieve equality of educational opportunity for all children in Ontario. The weighting factors and the limitations on the amount of the annual increase in effect until 1974 have worked against attainment of that goal. If we were to adapt the expression, "The rich get richer and the poor get poorer" to the experience of school boards with the weighting factors, it could be stated as, "The rich get richer and the poor get relatively poorer". When it is considered that some of the disparity occurs through greater expenditures being eligible for legislative grants and that these additional grants are made possible by the payment of taxes to the province by all the people - whose children do not receive comparable benefits - the result is untenable. It is also inequitable in terms of the ability of a board with a smaller amount eligible for grant to provide comparable educational services for its pupils.

The above comparisons, analysis, and comments should not be interpreted to mean that all boards should find it necessary to spend at the level of the highest-spending boards. On the contrary, it is in our view quite possible to provide a first-rate educational program at a cost level below the amounts spent by the highest-spending boards. The fact that the expenditures of the great majority of boards are below the highest levels supports this conclusion.

Description and Analysis of Weighting Factors

A description of the evolution of the weighting factors since they were

introduced and analysis of the elements that contribute to the calculation of the factors are set out in the following section of this Report.

1. Grant Weighting Factors

In 1974, the maximum ordinary expenditure per pupil on which a board can receive grant is determined by the basic ordinary expenditure ceiling multiplied by the board's total grant weighting factor. The elements that made up the total factor are considered below.

(a) Special Education

Prior to 1969, the enrolments of the majority of school boards were too small to permit the provision of anything more than token special education programs. A major justification for the establishment of the county and district boards was that the new units would be able to offer more extensive special education services. However, with the creation of the new boards, a limit was placed on the amount of increase that a board could make in its expenditures eligible for grant in any year over its previous year's eligible recognized ordinary expenditure. In 1971, when the ceilings were introduced, the limit on the amount of the annual increase was extended to the expenditure area as well. In 1972, the grant and expenditure weighting factors placed a further restriction on the ability of many boards to introduce and finance special education programs.

Some boards, represented by the Metropolitan Toronto School Board, the Ottawa Board of Education, and the London Board of Education, that serve large urban centres, had developed comparatively sophisticated special education programs before 1969. As a result, they had already established much higher expenditure levels per pupil than the new county and district boards. Consequently, because they began with a much higher base, they were able to continue spending at or beyond the levels they had already reached for special education, while the new boards were greatly restricted in their efforts to offer any new programs. It is not suggested that the legitimate costs for special education incurred by these boards should not be recognized. It is contended, however, that other boards, with legi-

timate needs for special education services, should be permitted to provide the necessary programs and that they should be assisted financially to do so.

An obstacle to the extension of special education services by many boards is the eligibility requirements for grant and expenditure weighting factors for this purpose. For several years, and again in 1974, in order to qualify for a weighting for special education a board, not previously eligible for such a weighting, was required to spend in excess of the median expenditure per pupil by all boards for this purpose. In practice, boards that are above the median obtain additional grant assistance and are permitted to make additional expenditures that enable them to stay above the median. Boards below the median do not qualify for additional grants or expenditures to enable them to rise above the median.

The only avenue open to a board wishing to qualify for the special education weighting factor is to divert funds from its other programs until its expenditures on special education are above the median level. But this can only be done by limiting or reducing services for all other pupils and is not a feasible approach. The fact that boards above the median for special education have additional resources in grants and expenditures permitting them to remain at that level means that boards, presently ineligible because they are below the median, will probably remain ineligible. Most boards in this position have, therefore, seen the median as an unattainable goal.

There seems no logical or rational explanation for the association of eligibility for a weighting factor for grant purposes for one board with the median expenditure per pupil for special education services for other boards. If one board, that has been just below the median, were able to devote more of its resources in a subsequent year to the provision of special education, it might rise above the median of all boards and, as a result, become eligible for both additional grants and expenditures for this purpose. But, a board that has been receiving additional grants and incurring additional expenditures on special education could lose its eligibility if the median increases because

of increased expenditures incurred by a board formerly below the median. This could happen to a board previously eligible without any diminution of its efforts to maintain its program of special education. This example raises the question of why a statistical device - designed to separate a set of data above and below the middle point - should be used as the criterion for deciding the eligibility for grants and expenditures for special education. Surely, if weighting factors are to be used at all, boards that are making an effort to provide some special education services should be recognized to the extent of that effort without regard for what other boards are doing, particularly those in large cities. It seems that the method of determining the weighting factor for special education was designed to recognize and accommodate the higher-spending boards and to prevent some other boards from achieving even limited special education programs.

The present calculation of the weighting factor for special education may exert an undue influence towards the unnecessary establishment or continuance of special classes for pupils who might better be enrolled in a regular class. For a child with a limited handicap the current thinking is that, if possible, he ought to associate for at least part of the day with other children in a regular classroom environment. For children with more severe handicaps, it is still necessary to provide special classes but always with the objective of a return to a regular class situation when, and if, as a result of treatment and special attention, this becomes possible. The calculation of the present grant weighting factor makes provision for teachers of special classes in self-contained or integrated programs but does not make adequate allowance for special education pupils in regular classrooms. The decision about the best method of providing education for any child ought to be determined by those at the local level who can best make this judgment without the influence of a complicated mathematical formula associated with the payment of grants. The complexity of the calculation of the grant weighting factor for special education for 1974 can be illustrated by reference to Appendix B(e). While the maximum allowable factor has been increased from .030 in 1973 to .040 in 1974, the basic procedures for development of the factor have remained about the same.

In summary, the weighting factors for grant and expenditure purposes give preferential treatment to boards that had established extensive special educational services earlier than 1970, they discriminate against boards with legitimate needs and aspirations to improve their special educational services, and militate against one of the stated objectives of the larger county and district boards - the extension of special education services.

(b) Compensatory Education

A second category of weighting for grant purposes relates to compensatory education. Boards in excess of the median, on a scale designed to measure the need for compensatory education services, receive a weighting factor intended to reflect the cost of providing these special services. Some of the criticisms made with regard to the calculation of the weighting factor for special education services are equally applicable to the allowance for compensatory education. The three criteria, for which allowance was made up to the end of 1973, were "the percentage of the population in receipt of welfare benefits, the percentage of income tax returns with taxable income less than \$4,000, and the percentage of the population with neither English nor French as their official (sic) language".² The importance of each criterion in the determination of the need for a grant weighting allowance is assessed on a rating scale. The sum of the ratings on the three criteria have been used to determine the size of the allowance to be made at each of the elementary and secondary levels. For 1974, an additional criterion - number of public housing units per capita - has been introduced and all four components - welfare, income, language, and housing - are assessed on a rating scale with the composite rating on the four independent variables determining the size of the weighting factor.

There is considerable doubt about the validity of the relationship that exists between the criteria used to judge the need for compensatory education services and the actual need for those services in

² 1973 Weighting Factors, (Mimeographed), Ministry of Education, Toronto, 1973, p. 2.

a particular jurisdiction. For example, the proportion of the population receiving welfare benefits may not be closely related to the number of children for whom compensatory education would be helpful. This relationship will vary to a considerable extent with the age of the population. In a community where there is a concentration of elderly people receiving welfare benefits, perhaps in a residence that draws its population from a wide geographic area, there is little or no relationship between the number of these people and the need for compensatory education for school pupils in that community.

A similar comment can be made about the relationship between the need for compensatory education and the percentage of adults filing income tax returns with taxable income less than \$4,000. Until two years ago, many persons did not file returns because they had no taxable income. Now, if these same persons wish to receive a refund, based on the amount of their rent or property tax, they must file returns. In the case of elderly persons and students, for example, there is no identifiable relationship between the number of these people filing income tax returns and the need for compensatory education for elementary and secondary pupils in the same jurisdiction. But, because of the necessity for these people to file a return to recover an amount of money, the rating - for purposes of calculation of the weighting factor for compensatory education - will increase. While it may be stated that the impact of this particular criterion is minimal, it should still be relevant in some significant way. At the same time, almost all of those who receive welfare benefits will also have taxable income of less than \$4,000, so that they are counted twice for purposes of determining the weighting factor.

The third criterion is assumed to mean the percentage of the population whose first language is neither English nor French. For 1973, the data source was the census for 1961 and, consequently, it was out of date. For 1974, the census of 1971 was used so that it was relatively more accurate. However, if the data from the latter census is continued in use in future years, it will be progressively less relevant to actual conditions. A second factor that makes the data inadequate is the ability of young children to acquire oral facility in

another language in a short time. There is no indication in the data that the relationship of this factor to the length of time that these programs are needed has been taken into account.

A new criterion based on the number of public housing units per capita has been introduced for 1974. While there may be a relationship between this criterion and the need for compensatory education, the provision fails to take into account the possible need in areas with other types of housing. There are many places in Ontario where the quality of privately-owned housing is inferior to some public housing in other areas and where the need for compensatory education - as judged by this measure - may, as a result, be as great or even greater.

The objective of the criteria is to measure the need for compensatory education. On the basis of need in an area, the board becomes eligible for a weighting factor and can receive additional grants and incur additional expenditures without actually providing any program of compensatory education. In this respect, at least, the calculation is even less justifiable than the calculation for special education. It has, however, the virtue that each board can decide the priorities that it wishes to establish using the financial resources generated by the formula.

For each of the four criteria, the classifications of the data on different scales are translated into a rating on a scale of 1 to 10. Questions arise about the relative relationships on this scale. For example, if the percentage of population in receipt of welfare benefits is between 5.25 and 6.209, resulting in a rating of 5, is this equivalent to a percentage between 40.77 and 42.849 of all income tax returns with taxable income less than \$4,000, also resulting in a rating of 5? There is considerable doubt that any such relationship can be substantiated.

Probably, the best that can be said for the procedures and calculations used to develop the grant weighting factors for compensatory education is that, having accepted the principle of weighting factors and their possible applicability, it was necessary to use something!

(c) French-English Composite

A new component in the determination of a board's total weighting factor for grant purposes was introduced in 1973. Boards with smaller bilingual composite schools, defined as those with an enrolment of 879 or fewer, received a weighting factor to compensate for the additional cost of operating these schools. To be eligible for the allowance, a bilingual composite school had to include certain programs, as set out in Appendix B(c). A school factor, derived from the enrolment in a particular school, had to be multiplied by the ratio of the school's enrolment on September 30 of the previous year to the board's total enrolment on the same date in the current year, to determine the board's weighting factor for this purpose. The range of the school factor was from .01 for a school with an enrolment of 860 to 879 to .25 for a school with an enrolment under 400.

For 1974, there have been refinements whereby the total number of credits to be taught in any school year in each of the French language and the English language has been reduced and the designation of the number of credits in a particular year of the secondary school has been eliminated.

A significant figure in the calculation is the school factor. This is derived from a table that allows a uniform increase of .01 for each of 20 students below an enrolment of 880. The maximum allowance is .25 for an enrolment under 400. The validity of the assumption that costs for a school increase at a uniform rate in direct ratio to a corresponding uniform decline in enrolment is unsubstantiated. The second assumption - that the greater costs of operation of a small school are decreased or that a portion of the extra costs can be absorbed within a system having schools with enrolments of 880 or more - is also unsubstantiated.

(d) Technical and Occupational

In 1972, a secondary school board, in excess of the median - 15.8 per cent - in the ratio of technical and occupational teachers to

the total secondary school teaching force, received a weighting factor of .01 to compensate for the additional cost of providing more extensive vocational education services. In 1973, boards in excess of the median, \$35.38 per pupil, in terms of expenditure per pupil for vocational - technical and occupations - practical education, received a weighting factor to compensate for the expenditure in excess of the median, up to a maximum of .020. The formula in 1973 was more complicated and more refined than that in use in 1972. In 1974, there has been further refinement of the basis on which the calculation is made, including some allowance for equipment. The median for salaries has increased to \$36 per pupil.

There are certain difficulties that arise in the calculation of the allowance in the weighting factor for programs in this category. Some of these have to do with the definitions to be used. For example, how is a teacher who has classes in the vocational area and classes outside that area to be counted? According to the formula, his time is to be divided and a fractional amount included for purposes of calculation of the weighting factor. If other boards engage more teachers in this area, a board receiving a weighting factor in 1973 might well fall below the median for the next year and receive no allowance in the weighting factor although it still had the same obligation in terms of the teachers working in the vocational program. Some of the same criticisms, that were made about the effect of the use of the median for eligibility in the special education program, apply in this area.

(e) Goods and Services

In 1972, school boards in the districts received a weighting factor of .01 to compensate for the higher prices of commodities in those regions. Under another category of instructional salaries, all boards in the districts received a weighting factor of .07 to compensate for the extra cost of obtaining a teaching force comparable to that of counties and cities. In 1973, the allowance was amended to provide that boards in a territorial district north of the French River, which did not include a city or town with a population in excess of 25,000 within their jurisdictions, received a weighting fac-

tor of .060 to compensate for the higher costs of goods and services in Northern Ontario. All other boards in a territorial district, and boards in a district municipality or provisional county, received a weighting factor of .040.

For 1974, the former factors of .060 and .040 have been increased to .090 and .060 respectively.

Again, there is a trend towards greater refinement of the weighting factor and an increase in the amount of the allowance provided.

(f) Age of School Facilities

In 1972, school boards in excess of the seventy-fifth percentile - elementary 24 per cent; secondary 16.5 per cent - in terms of pupil places provided before 1945 received a weighting factor of .01 to compensate for additional expenses resulting from plant operation and maintenance of older buildings. In extreme cases - equal to, or greater than, 32 per cent - the weighting factor allowed was .02.

In 1973, boards in excess of the median in the percentage of pupil places provided before 1945 received a weighting factor, in accordance with a highly refined formula, up to a maximum of .020, as set out in Appendix B(c). There are no changes in 1974 in the basis of the calculation of the allowable weighting factor in this category.

While there was again a trend towards more detailed calculations in 1973, it is hard to conceive a formula sufficiently sophisticated to be equitable to boards that have schools of different ages. The only criterion used in the calculation is that of the number of pupil places provided before 1945 in relation to the total number of pupil places provided by the board. If a board is just above the median and, therefore, eligible for some allowance in the weighting factor in a particular year and if, because of increased enrolment, it builds a new school with enough pupil places to bring its percentage below the median, it could have its allowance in the weighting factor eliminated. Or, even though it remained eligible for some allowance because it was above the median, it could have the weighting factor

reduced. In either case, the board that still operates schools provided before 1945 will not have its costs reduced in any way because it provided a new building for increased enrolments. If any allowance in the weighting factor is to be made for older buildings, surely it ought to be on the basis of the number of pupil places in older buildings and not the ratio of pupil places in older buildings to the total number of pupil places the board provides.

There are, however, difficulties that arise if any such proposal is adopted. For example, is the cost of operation and maintenance of buildings erected before an arbitrary point in time greater than the cost of operation and maintenance of other buildings constructed just after that? Would the cost not be greater for a building erected in 1920 when compared with one constructed in 1944, other things being equal?

But are other things equal? The formula does nothing to take into account the type of construction of buildings - whether brick, stucco, or frame. It does not take into account the geographic location of the school - whether in a cold climate or a relatively warmer one. Nor does it recognize the differences in cost resulting from the volume of the building. Can anyone say that a solid brick school building with limited space allowances, erected in South-western Ontario prior to 1945, is more costly to operate and maintain than a frame or stucco or cinder block building with greater space allowances built in Northern Ontario in 1948? These questions point up the absurdity of the formula by which calculations are made for the weighting factor for older school facilities.

(g) Admissions

In 1972, school boards, in excess of the seventy-fifth percentile - elementary 24 per cent; secondary 10 per cent - in the ratio of transfers into the school system to total enrolment, received a weighting factor of .01 to compensate for additional expenses involved when the rate was high. When the rate exceeded 26.5 per cent at the elementary level and 12.5 per cent at the secondary level the weighting factor was increased to .02.

In 1973, boards that were in excess of the median - instead of the seventy-fifth percentile - in the ratio of admissions, other than at the beginning of the school year, to total enrolment received a weighting factor to compensate for additional costs when the admission rate was high. The calculation is based on a highly refined table for each of the elementary and secondary levels, as set out in Appendix B(c), with the resulting weighting factor being limited to a maximum of .020.

In 1974, the only change in the calculation was an adjustment to require a higher ratio of admissions to total enrolment to secure the same weighting as in 1973 and an extension of the ratio table to high limits at both the elementary and secondary levels. There is little evidence to support the contention that higher costs are involved as a direct result of the mere fact of admission of new students to a school during the school year. When it is recognized that, for most boards, the majority of new admissions occur at the beginning of the school year, that classes are organized largely on the basis of anticipated enrolment, and that students admitted after school opening are for the most part added to the enrolment of existing classes, it is difficult to see the justification for the inclusion of the allowance among the weighting factors. The direct relationship of costs to number of admissions still has to be established by some authentic research, particularly in view of the high mobility in the total population.

The substantial refinement of the calculation in 1963 again illustrates what appears to be the inevitable trend once the commitment to the use of weighting factors is made. To refine the calculation to the point where, for 1974, a difference in the range of the ratio of admissions to total enrolment of .529 at the elementary level and .439 at the secondary level can result in a difference in the weighting factor of .001, or one one-thousandth, or one-tenth of one per cent, is approaching the ridiculous. It raises the question of whether the exercise, in terms of its validity or the expenditure of time and effort to develop the formula for the calculation, has any sensible justification at all.

(h) Economies of Scale

In 1972, school boards with an average daily enrolment of less than 3,000 received a weighting factor of .01 to compensate for "the administrative expenses experienced by small boards".³ In 1973, the weighting factor was refined to allow a factor of .010 for boards with an enrolment of 2,000 to 2,999; a factor of .015 for an enrolment of 1,000 to 1,999; and a factor of .020 for an enrolment below 1,000. There is no change in these allowances for 1974.

In 1972, there was an allowance for "sparsity" and, under this category, "all secondary school boards with greater than 50 per cent of their enrolment in schools with less than 300 pupils received a weighting factor of .02 to reflect lower pupil:teacher ratios that result when a small board provides a comprehensive program".⁴ In 1973, the former allowance for sparsity was included in the category of economies of scale. The calculation was refined to allow a factor of .01 where 50 per cent of the enrolment was in schools with an enrolment of 400 to 499. Where the enrolment was 300 to 399, the weighting factor was placed at .020. For schools where it was below 300, the factor was increased from .02 to .03.

In 1974, a weighting factor was introduced for small elementary schools. Boards "with an average elementary school enrolment of less than 200 pupils per school receive a weighting factor to reflect additional administrative and instructional costs experienced in the operation of small schools".⁵ There are 20 categories of average enrolment ranging from 195-199 to less than 105, with weighting factors varying from .003 to .060 respectively.

The eligibility for a weighting allowance at the secondary level has

³Weighting Factors for General Legislative Grant Regulation 1972, (Mimeographed), Department of Education, Toronto, 1972.

⁴Ibid.

⁵1974 Weighting Factors, (Mimeographed), Ministry of Education, Toronto, October, 1973, p. 8.

been completely changed for 1974. Under the new provision, "boards with small isolated secondary schools receive a weighting factor to offset the additional administrative and instructional costs experienced in the operation of such schools. All schools with an enrolment of less than 250 pupils that are located at least 35 miles from the nearest secondary school, receive an additional 10 per cent per pupil".⁶ While the wording of the official document lacks clarity, it is assumed that the reference is to a school located at least 35 miles from the nearest other secondary school and not to pupils that are located at that distance.

The changes that have taken place to date in the basis for determination of the weighting factors, the move towards greater refinement in the calculation of the factors, and the general increases in the amount of the factor, demonstrate the efforts being made in successive years to overcome the inadequacies and deficiencies experienced in the application of the factors in preceding years.

(1) Instructional Salaries

In 1972, school boards in the districts received a weighting factor of .07 to compensate for the additional cost of securing a teaching force comparable to that of the counties and cities. In 1973, this allowance was eliminated from the specific category of instructional salaries and some provision for it was included in goods and services. In 1974, however, an additional allowance for grant purposes of 50 per cent of the weighting factor calculated for expenditure purposes by a board for instructional salaries is provided.

Total Grant Weighting Factor

In 1972, the total grant weighting factor was the sum of the weighting factors for special education, compensatory education, economies of scale, commodities, transfers, age of school facilities, sparsity, salaries, and vocational. The total weighting factor for a board for grant purposes could not be less than 50 per cent of the board's

⁶Ibid, p. 9.

weighting factor in 1971. In 1973, the total grant weighting factor was the sum of the weighting factors for special education, compensatory education, bilingual composite schools, technical and occupational programs, goods and services, age of school facilities, admissions, and economies of scale. In 1973, the total weighting factor for grant purposes for a board could not be less than 75 per cent of its total grant weighting factor in 1972. In 1974, the total grant weighting factor is again the sum of the first eight categories plus the allowance of 50 per cent of the calculation for the expenditure weighting factor for instructional salaries. The total grant weighting factor for a board cannot be less than 90 per cent of the board's grant weighting factor in 1973.

2. Expenditure Weighting Factors

In 1974, the maximum expenditure per pupil that a board can make for ordinary operating costs is determined by the application of a total expenditure weighting factor to the basic ceiling. The expenditure weighting factor for a board is the sum of its grant factor and the supplementary expenditure weighting factor. Any additional expenditure, permitted and incurred as a result of application of the difference between the expenditure weighting factor and the grant weighting factor, must be financed wholly by local taxation in the area of the board's jurisdiction. There are two main categories for which expenditure weighting factors have been developed, namely instructional salaries and population density.

(a) Instructional Salaries

In 1972, a school board in excess of the seventy-fifth percentile - elementary 9.5 years; secondary 9.6 years - in terms of the average years of teaching experience of its teaching force received a weighting factor of .01 for each year in excess of the seventy-fifth percentile to compensate for the additional cost of maintaining the teaching force. Also in 1972, a weighting factor was allowed for teacher qualifications. A board in excess of the seventy-fifth percentile - 20 per cent - in terms of its elementary teachers with a degree received a weighting factor of .01 for each 10 per cent in excess of the seventy-fifth percentile. A board in excess of the

seventy-fifth percentile - 50 per cent - in terms of the percentage of its secondary teachers in salary categories 3 and 4 received a weighting factor of .01 for each 10 per cent in excess of the seventy-fifth percentile.

In 1973, the basis of the calculation of the weighting factor was drastically changed. School boards in excess of the twenty-fifth percentile, instead of the seventy-fifth, in expenditure per pupil for a combination of teacher experience, teacher qualifications, and a new component related to salary schedules, received a weighting factor to compensate for the expenditure in excess of the twenty-fifth percentile up to a maximum of .040. The calculation was also made much more complicated.

For 1974, after being in use for only one year, the component of "salary schedules" was dropped from the calculation and the maximum allowable weighting factor was decreased from .040 to .030.

Whatever may be said about the complexities of the calculations of some of the grant weighting factors, they are relatively simple by comparison with the calculations for the expenditure weighting factor for instructional salaries, as set out in Appendix B(f). The amount of data to be collected and analysed to enable the calculations to be made, and the time and effort involved in the calculations themselves, have substantial cost implications. If the purpose and the end product justified the procedures, it might be possible to accept them. When these are seriously in doubt, there is no rationale for engaging in what can only be described as a useless endeavour with highly questionable implications for education.

Boards that were already spending in excess of the twenty-fifth percentile in 1973 for teacher experience, teacher qualifications, and salary schedules, were allowed to spend more money to remain above that percentile. Boards that were below the twenty-fifth percentile were unable to increase their expenditures to rise above it. Consequently, there is likely to be very little change in the composition of the group of boards in either category. The result is that the boards above the

twenty-fifth percentile are able to spend more money on instructional salaries and to recruit teachers with more experience and higher qualifications. Consequently, the high-spending boards of the past, in addition to the other amenities that they have readily accessible to their students, such as cultural programs and other educational institutions, are given a further advantage over other boards in terms of the quality of the staff they can attract. This seems grossly unfair to other boards that ought to be able to compete for experienced and highly-qualified teachers on a comparable basis, without the imposition of the artificial barrier represented by the weighting factor for instructional salaries.

(b) Population Density

School boards with a high population density, measured by population per acre, have received a weighting factor intended to compensate for the cost of meeting problems and conditions associated with high density environments. The expenditure weighting factor allowed for density of population remained constant for 1972 and 1973. The calculation of the weighting factor is shown in Appendix B(d).

In 1974, there has been a refinement of the table for population per acre. The lower limit of eligibility has been raised from 1.5 population per acre to 1.75, with the top category being extended to range from 10.75 to 13.749.

Undoubtedly, there are higher costs associated with the provision of educational programs for pupils from high density population areas. It is questionable, however, whether the need for these programs can be determined on the basis of population per acre. For example, it is quite conceivable that in a completely built-up area, such as the City of Toronto, the population per acre will be relatively high. But in another school board jurisdiction, with high density in an urban area and low density in a rural area, the averaging effect may result in no expenditure weighting factor. This does not mean that there is no need for additional funds to meet special problems in the urban area of the board's jurisdiction.

Another factor to be considered is the relationship between the population per acre and the school-age population per acre. Some parts of urban jurisdictions with high-rise apartments may have a high incidence of adult population and a relatively low school-age population. In a school board jurisdiction where there is a higher density of population in residential areas, the ratio of population to acreage may be substantially reduced by the amount of land devoted to industry, expressways and parks. However, if any allowance were to be made for this situation in largely built-up cities, it would be necessary, for example, to exclude farmlands from the calculation for county school boards that embrace both high density urban population areas and sparsely-settled rural lands. If exceptions were allowed, their number would be great and the administrative complexities many. Any possible improvement in the results would not justify the effort and expenditure involved in its achievement. There is also the possibility that, on the basis of the calculation of the expenditure weighting factor, a board may be permitted to spend additional amounts without the necessity to provide programs for children from high density population areas. The formula suggests a need but there is nothing to prevent a board from spending the additional funds for other purposes. At least the latter possibility has the virtue that it permits boards to spend the funds generated by the calculation for purposes identified by the boards as having priority within their jurisdictions.

Total Expenditure Weighting Factor

The total expenditure weighting factor for a board is its grant weighting factor, the additional 50 per cent of its weighting factor for instructional salaries, and its weighting factor for population density. The total expenditure weighting factor for a board in 1973 could not be less than 75 per cent of its expenditure weighting factor for 1972. For 1974, this factor cannot be less than 90 per cent of the 1973 factor.

3. Other Weighting Allowances

In addition to the grant weighting factors and the expenditure weighting factors for each board, there have been a number of other weighting allow-

ances that have had the effect of increasing the proportion of a board's expenditure eligible for grant and of increasing the maximum expenditure that a board may incur.

(a) French-Language Instruction

In 1970, there was provision for a "course weighting factor" of 1.1 for a pupil enrolled in a course in français in a secondary school. Late in that year, by an amendment to the grant Regulation, the then Department of Education paid supplementary grants for French-language instruction. The funds for this purpose were provided by the Federal government to encourage this program in the schools. In 1971, the course weighting factor incorporated the two provisions for the previous year and introduced some modifications and refinement. In 1972, the provision was expressed as a "French-language factor" and was calculated by dividing the increase in average daily enrolment for French-language instruction by the average daily enrolment of resident-internal pupils. The increase in average daily enrolment for French-language instruction was calculated by a more complicated and refined formula. In 1973, there was some attempt to simplify the basis of payment of grants for this program. In 1974, there were further adjustments in the method of calculation of the allowance. Instead of an increase in average daily enrolment, provision is made for the calculation of an eligible sum for French-language instruction in 1974.

(b) Location Weighting Factor

Reference has already been made to the location weighting factor existing in 1970 and 1971 which, in subsequent years, was absorbed into the grant weighting factor and the expenditure weighting factor.

(c) Leeway Factor

When ceilings were introduced in 1971, provision was made to allow boards that were already spending in excess of the ceilings to continue to do so within certain limits. It was intended that they would come within the limits applicable to other boards by 1973.

In 1971, the grant Regulation⁷ set out the limits by which a board's expenditure might exceed the generally applicable provisions. In 1972, the allowance was designated as a "leeway factor". It was discontinued as a specific allowance in 1973.

(d) Trainable Retarded Children Factor

In 1969, when provision was made for schools for the mentally retarded to be absorbed into the public educational system, they were placed under the jurisdiction of the secondary school boards. In 1971, when ceilings were imposed, the basic expenditure was \$1,060 per pupil or almost double the basic allowance of \$545 per pupil that would have been applicable had the schools been in the elementary panel. In 1973, for enrolment for grant purposes, each student in these classes was considered the equivalent of 1.5 pupils in regular classes. There are, therefore, two allowances to meet the additional costs associated with the provision of programs for these children.

Weighting Factors and School Board Freedom, Responsibility and Authority

The concept of equality of educational opportunity has appeal for almost everyone in Ontario. This idea has sometimes been understood to mean the same opportunity for all children. But this interpretation is impossible of attainment. For example, circumstances of geography and sparsity of settlement often necessitate the provision of school bus transportation for a considerable distance for students in rural areas, while other students living in urban areas walk a short distance to their school. The former students may have to leave home an hour earlier in the morning and arrive home an hour later in the evening than their urban counterparts. These circumstances mean that students from rural areas do not have the same amount of time available to them for outside activities such as participation in athletic programs after school hours. There are many other examples of unavoidable differences in the provisions that have to be made for the education of our young people. Educationally, it would be a denial of equality of opportunity if deliberate efforts were not made

⁷Regulation - General Legislative Grants 1971, Section 5, Subsection (2).

to offer different programs to meet the particular needs, interests, abilities, and objectives of students. Consequently, it is more realistic and justifiable to interpret provision of equality of educational opportunity as meaning the provision of the maximum possible opportunity for the individual to realize his potential to the greatest degree.

Over a long period of time, decisions in education in Ontario have enabled progress to be made towards this goal. Historically, the abolition of fees, first at the elementary level and then at the secondary level, was a significant step in this direction. Other examples, to mention only a few, include the provision of school bus transportation and textbooks without direct charge to the student; recognition through the grant plan of differences in the ability of municipalities to pay for the educational program; extension of technical and vocational programs to communities throughout the province; establishment of central schools; flexibility in choice of options; regard for individual differences through special education classes; and especially decentralization to the local school system and to the particular school of responsibility for establishment of goals and objectives, curriculum development, innovation and experimentation, and evaluation to permit adaptation to the nature of the community and the needs of the children in it.

In the larger cities of the province, there has been a long-standing tradition of considerable local freedom and responsibility for decision-making in education. While many factors accounted for the degree of independent action exercised, the ability of the boards in these centres to attract and retain highly qualified teaching, supervisory, and administrative personnel was of paramount importance. With the creation in January, 1969, of the county and district boards, it became feasible for many additional boards to achieve a position comparable to that of large city boards. Still others, with the assistance of personnel from the Regional offices of the Ministry of Education, were able to accept greater responsibility than formerly. We view these developments as desirable and positive.

When there were many small school units without the resources to enable them to determine their goals and needs, the Department of Education used to offer "stimulation grants" as a means of encouraging what it considered

to be desirable educational programs. There were, therefore, at different times, special grants for larger units of administration, text-books, home economics, industrial arts, special education, and the like. But, when the county and district boards were created, it was recognized that local boards were best able to judge the educational needs of their communities and the ways in which money ought to be spent to meet them. As a result, the then Department of Education discontinued the practice of providing stimulation grants. It is our view that the reasoning on which this decision was made was sound and progressive.

In 1971, an announcement was made about the establishment of weighting factors applicable to ceilings for grant and expenditure purposes for introduction in 1972. It read, in part, as follows:

"The Minister stated that a new series of weighting factors will be introduced as part of the ceiling arrangement to allow for special education programs, regional variations and cost levels. Under the new arrangement, weighted grants will allow for additional assistance to boards for exceptional circumstances related to programs of special education and compensatory education. Additional assistance will also apply to certain boards for such factors as economies of scale, commodity prices in northern areas, additional maintenance costs for older schools, special needs arising from abnormal growth patterns and for transfers and certain aspects of vocational education.

"All such factors, where applicable, will be considered for both expenditure ceilings and grant purposes. Consideration of expenditure limits will also be made for boards whose teaching staff have an above normal pattern of teaching experience or qualifications or where density factors are judged as contributing in a significant way."⁸

While both grant and expenditure weighting factors were intended "to recognize both the variation in need for specific educational programs and the cost differentials involved in providing comparable educational services throughout the Province",⁹ they introduced features that not only

⁸ News Release 71-42, Ontario Department of Education, Toronto, November 12, 1971, p. 2.

⁹ Memorandum 1971: B12, Department of Education, Toronto, November 12, 1971.

did not help to achieve these goals but that created new problems that tended to work against the attainment of the same goals. A few examples will serve to document this assessment of them.

As indicated earlier in this Report, the Department of Education had made considerable progress in the implementation of a policy of decentralization of decision-making to school boards. The abandonment of stimulation grants was an expression of that policy. But the designation of grant and expenditure weighting factors for special education, technical and occupational education, and of expenditure weighting factors for instructional salaries using teacher experience and qualifications, are merely stimulation incentives under other names. They require expenditures in specific areas as a condition of eligibility for grant and expenditure allowances. They even go so far as to require a level of expenditure by a board in excess of the expenditures by other boards if it is to qualify for these allowances. In this respect, they not only interfere with the board's freedom to allocate its resources to meet problems and needs that the board identifies, but for all practical purposes they require that expenditures be made in areas to which the Ministry of Education has decided financial resources ought to be allocated. This is a reversal of the policy of decentralization of decision-making in areas where boards are better able and more competent to make judgments than the Ministry of Education. It is also in conflict with the oft-repeated desire of the Ministry to maintain the freedom and responsibility of school boards. The introduction and refinement of the weighting factors are, therefore, serious and unnecessary infringements on the functions of school boards.

A corollary of the direction of financial resources to the areas for which weightings are allowed by the Ministry is that these funds will not be available for other programs the board believes will enable it to achieve its particular goals. As a result, there will be little or no possibility for a board to introduce innovations or experimentation designed to improve present practices. The trend will inevitably be towards greater uniformity and inflexibility, both of which are inconsistent with the need to provide for the unique characteristics of communities and individual differences among students. Just as inevitably, parents will recognize that real authority in these matters does not

rest with their elected trustees, thereby denigrating still further the role of the school board. If this process continues, it will result in erosion of the board's freedom and responsibility to the point where it will be a nonentity, powerless to make any worthwhile contribution to the education of the community's children. Such a development would be disastrous for education in this province since abundant evidence exists to document the lack of responsiveness of a highly-centralized authority to local needs, to say nothing of the loss of the opportunity for the practice of democratic skills and the inculation of democratic values through involvement and by precept and example.

It is evident to us, from the submissions made to the Committee, that each board has special needs and unique problems arising from local environmental conditions and social factors. The Ministry's policy of recognizing some of these through weighting factors is unsatisfactory both for those who are able to benefit from them and for those who are not. The attempt to overcome these difficulties, by the creation of new weighting factors or the refinement of existing factors, is a never-ending process because of the multiplicity of conditions and problems that prevail across this vast province. It has already been demonstrated that when the factors are few in number and when they are expressed in "crude" form they will not work. If they are increased in number and further refined they lead to complexity and involved administrative practices and procedures at both the Ministry and school board levels to the point where they cannot work.

The present requirement, whereby a board becomes a beneficiary of a certain weighting factor depending on its position in relation to the median or a particular percentile, is discriminatory and even self-defeating in terms of avowed purposes of the factor allowance. Because the median level can change from year to year, a board could be moved from a beneficiary or non-beneficiary position without any change in the services it provides. The real determinant may be the actions of other boards in terms of the extension or reduction of services for which weightings are allowed. This possibility is certainly not conducive to sound planning or good management, fiscal or educational.

The examples described above are, in our view, adequate to support our conclusion that the weighting factors, both for grant and expenditure purposes, are working against the best interests of students and the goal of equality of educational opportunity as we have defined it. Indeed, in spite of the avowed purposes of the weightings, it is not unfair, on the basis of the evidence before us, to conclude that they almost ensure unequal opportunity for all within the terms of that same definition. It is our view that the weightings ought to be discontinued in 1976. Elsewhere in this Report we have endorsed the principle of some limits on expenditures by school boards. There is nothing inconsistent in the establishment of realistic expenditure levels developed in consultation with local authorities, tempered by some degree of flexibility through the use of local financial resources, and the absence of weighting factors. In so far as the Ministry of Education is concerned, it ought to be satisfied with an arrangement whereby there is a degree of control on the amount spent, since it contributes a substantial part of that sum, while leaving to school boards the determination of how best to allocate the available resources.

APPENDICES

- A. Calculation of Equalization Factors
- B. Formula for Calculation of Weighting Factors
 - (a) Grant Weighting Factors, 1972
 - (b) Expenditure Weighting Factors, 1972
 - (c) Grant Weighting Factors, 1973
 - (d) Expenditure Weighting Factors, 1973
 - (e) Grant Weighting Factors, 1974
 - (f) Expenditure Weighting Factors, 1974
- C. Weighting Factors, 1970 to 1974
- D. Calculation of Grant Ceilings on Ordinary Expenditure Per Resident-Internal Pupil, 1972
- E. Calculation of Expenditure Ceilings on Ordinary Expenditure Per Resident-Internal Pupil, 1972
- F. Changes in Grant Weighting Factors, 1972 to 1974
- G. Calculation of Grant and Expenditure Ceilings, 1974

APPENDIX A

CALCULATION OF EQUALIZATION
FACTORS

CALCULATION OF EQUALIZATION FACTORS



DEPARTMENT OF MUNICIPAL AFFAIRS

801 Bay Street . Toronto 5 . Ontario

June 2, 1970.

MEMORANDUM TO: THE CLERKS OF ALL MUNICIPALITIES IN ONTARIO

This memorandum explains the procedure used by the Department of Municipal Affairs to compute the equalization factors throughout the Province of Ontario for 1970 in accordance with Section 71 of the Assessment Act.

The equalization factors will generally be based on valid "open market" sales that occurred between October 1, 1968 and September 30, 1969, for all relevant property classes in a municipality. If sufficient valid sales are not obtained in a particular class, in this period,

- (a) an extended period from 1st October, 1969 to 31st March, 1970, is reviewed, or
- (b) spotcheck appraisals are performed in order to get sufficient sample data.

There are three major groups of property involving nine classes for real property as shown in Item A of Page 1 of Exhibit 2 attached. In addition, there are a number of special classes as shown in Item B on Page 1 of Exhibit 2. The local assessment for each property class or group is equalized by its own class ratio, or, where applicable, group ratio.

Individual ratios are obtained from an analysis of valid sales. The individual ratio, either class or group, is obtained by dividing the sum of the assessed values by the sum of the market values of all valid sales for the respective class or group. Once the class or group ratios are calculated, the equalized assessment for a class or group is then obtained by dividing the local assessment by the respective ratio.

A municipal ratio is obtained by dividing the sum of all real property assessments by an estimate of the market value of this same property.

When less than 5 sales occur in a property group, the assessment of this group is equalized by the municipal ratio.

Exhibit 1 - Valid sales are to be determined in accordance with the Department's Sales Selection Criteria, as per Exhibit 1 attached.

June 2, 1970.

Exhibit 2 - A detailed explanation of the Work Sheet is attached in Exhibit 2.

Exhibit 5 - Depicts the format of the Calculation Sheet used. Hypothetical figures have been used as an example to elucidate the mathematical computations involved and is attached herewith.

If further clarification of the general procedure, as described above, is necessary, the Area Director's office should be contacted. The Work Sheet for your municipality will be forwarded at a later date.

Prepared by Chas. S. [Signature]
 Approved by [Signature]

SALES SELECTION CRITERIA (WITH CODES)

Sales coded '00' or as the last transaction in a multiple sale (e.g. 22,33) are included in the working sample, while sales coded in any other way are excluded.

00 OPEN MARKET SALE01 FAMILY SALE

Two types of transactions are included in this category:

- (a) transactions between relatives where personal factors prompt the grantor to sell at a price above or below market value.
- (b) transactions between a parent company and a subsidiary: such transactions are often bookkeeping entries which have no bearing on market value.

02 FORCED SALE

In this category are transactions in which circumstances force a purchaser to buy, or more often, a grantor to sell, a property unwillingly.

e.g. expropriations, mortgage foreclosures, estate sales made to liquidate succession duties, and tax sales.

03 QUIT CLAIM OR CLEARING A TITLE

A conveyance of a title in which the grantor releases to the purchaser and his heirs all matter of right, title, interest, claim and demand in accordance with the provisions of the Short Form of Conveyance Act.

04 SECTION 27(3) SPECULATIVE FARM SALES

These transactions are agricultural sales in which land speculation is a factor (e.g. in fringe urban areas). Such properties must be assessed in accordance with section 27(3) of the Assessment Act which requires that ".....consideration shall be given to the sale value of such land and buildings for farming purposes only.....". Under ordinary circumstances these rejections should be carried out on an individual basis; i.e. individual properties should be rejected, not entire classes of property.

05 GOVERNMENT OR EXEMPT PROPERTY TRANSACTIONS

In this category are properties purchased or sold by federal, provincial, and municipal levels of government and crown agencies such as H.E.P.C. and the Veterans Land Act. Or more generally stated, any transactions involving any governmental unit or tax exempt property.

06 SALES INCLUDING CROPS, CHATTELS OR GOOD WILL

In some instances, a property transaction will include in the purchase price personal property (chattels), crops already planted in the case of farms or some classes of machinery (farm, commercial, industrial). In any sale good will may affect the selling price by raising or lowering it.

07 BUSH OR WOOD LOT --- SOLD FOR TREES

In some instances, especially in the north, parcels of land are bought for the value of the trees on them, not for the land itself. After the trees are removed the property is often left to revert to a tax sale.

08 SALES INVOLVING SPECULATION OR CHANGED PROPERTY USE

There are two types of sales in this category:

- (a) transactions involving speculation other than that under code 04 mentioned above (i.e. excluding farms). No whole class rejection should be done except where individual sales studies afford a whole class rejection.
- (b) transactions where the sale price reflects a different property use than the assessment.

09 SALES BASED ON NON-TYPICAL FINANCING

In every particular market for property, there will be a "typical" method of financing. A case in point might be a cash down payment and a first mortgage for single family bungalows. Where financing differs markedly from the typical in the market area the selling price will not reflect market value.

10 SINGLE SALE PRICE AND/OR ASSESSMENT FOR SEVERAL PROPERTIES

This type of transaction occurs when the sales record sheet shows only one sale price and/or assessment, for several distinct properties adjacent or separated. The sheet does not indicate what part of the sale price and/or assessment is applied to each of the properties, and consequently, the sale cannot be used for analytical purposes.

19 OTHER

A short explanatory note MUST be placed opposite the posting of any sale coded '19'.

21 DOUBLE SALES

In any one assessment year, a particular property may be sold more than once. In the case of a double sale, the earlier of the two sales is coded '21' and rejected. The first digit indicates a double sale, the second indicates the first or earlier of the two sales. The second or last sale is coded '22' and kept, since it represents the most current market value of the property.

Following this pattern, triple (3) sales, 4, 5, 6, 7, 8, and 9 sales of any one particular property would be coded in similar fashion:

31 3 sales - earliest sale (1) reject
32 3 sales - 2nd sale (2) reject
33 3 sales - 3rd sale (3) accept
41 4 sales - earliest sale (1) reject
42 4 sales - 2nd sale (2) reject
43 4 sales - 3rd sale (3) reject
44 4 sales - 4th sale (4) accept
51 5 sales - earliest sale (1) reject
etc.

January 5/1970

DETAIL EXPLANATION OF TERMS & CALCULATION SHEETDEFINITION OF TERMS

Property classes and groups are defined as follows:

A. Real Property

Residential Multiple	RM)		
Residential	R)	Residential Group	RG
Residential Land Unimproved	RL)		
Farm	F)		
Farmland Unimproved	FL)	Farm Group	FG
Commercial	C)		
Commercial Land Unimproved	VCL)		
Manufacturing & Industrial	I)	Commercial Group	CG
Industrial Land Unimproved	VIL)		

B. Special Classes

These include Telephone and Telegraph, Gross Receipts and Wire Mileage, Transmission Pipelines, Railway Companies (including Quinquennial) and Wasteland.

C. Class Ratio

A property class ratio is defined as the sum of the assessed values of valid sales in the class, divided by the sum of the market values of valid sales in the class.

A class ratio will be calculated only when there are 5 or more valid sales in a class.

D. Group Ratio

A group ratio is defined as the sum of the assessed values of valid sales in the group, divided by the sum of the market values of valid sales in the group.

A group ratio is calculated when there are 2 or more valid sales in a group. Groups have been defined as shown in Section A above.

E. Municipal Ratio

Municipal ratio is defined as the sum of the assessments of

Real Property in a municipality, divided by the Market estimate of all such Real Property.

The Real Property included here is defined in Section A above.

F. Equalization Factor

This is defined as the sum of the assessment of all property (Real Property & Special Classes) as defined in Section A and B above and Business Assessments, divided by the sum of the equalized assessments of these same properties.

DEFINITION OF ALL COLUMNS OF CALCULATION SHEET

Col. 1 = (Items lettered A, B, C, E, F, H, J, K, L = individual property
(classes.
(D = Residential Group - total of A, B, C classes
(G = Farm Group - total of E and F classes
Real (M = Commercial Group - total of H, J, K, L classes
Property (N = Total of all Real Properties A, B, C, E, F, H, J, K and
Classes L or total of all Real Property Groups D + G + M

Special Classes

P to T = Special Property Classes

V = Grand Total of Real Property and Special Classes above

Col. 2 = Property Class codes for each item in Col. 1.

Col. 3 = Sum of assessed values of valid sales for the Property Class in Col. 2.

Col. 4 = Sum of market values of valid sales for the Property Class in Col. 2.

Col. 5 = Assessment as Returned (Schedule 1 & Schedule 4 of the Return of Assessment Population and Area).

The assessment is entered here if there are 5 or more valid sales (Col. 13) for a relevant class.

Col. 6 = Same as Col. 5 but entered here if the number of valid sales (Col. 13) is less than 5 for the respective class.

Col. 7 = Estimate of market value: This is computed only for groups.
For each group, Col. 7 = (Sum of Col. 5 for the group + sum of Col. 6 for the group) divided by the Group ratio.

Example: Estimate of market value for Residential Group
= 7D = $\frac{5D + 6D}{9D}$

Col. 8 = Class Ratio = Col. 3 ÷ Col. 4

Computed only if 5 or more valid sales (Col. 13 = or > 5).
If there are less than 5 valid sales, do not compute class ratio.

Col. 9 = Group Ratio = Group total of Col. 3 ÷ Group total of Col. 4.

Example: $9M = \frac{3M}{4M}$ For the Commercial Group ratio.

Col. 10 = Municipal Ratio = $\frac{5N + 6N}{7N} = \frac{\text{Total Assessments of Real Property}}{\text{Total Market Estimate of Real Property}}$

5N = sum of 5D + 5G + 5M
6N = sum of 6D + 6G + 6M
7N = 7D + 7G + 7M

This method gives weight to all property owners.

Col. 11, 12, 13 = The number of Total, Rejected and Valid Sales.

Col. 14 = Business Assessment from Schedule 1 of the Return of Assessment Population and Area.

Col. 15 = Equalized Assessment (= Col. 5 ÷ Col. 8 where a class ratio exists.
(= Col. 6 ÷ Col. 9 where no class ratio exists and group sales are 5 or more.

or = Col. 6 ÷ Col. 10. Here no class ratio exists; group sales are less than 5 and hence the Municipal Ratio. Col. 10 is used for equalizing the Group.

Example:

	<u>Col. 2</u>	<u>Col. 13</u>	<u>Col. 15</u>
Residential Group	Class RM	2 valid sales	No Value
	Class R	1 valid sale	No Value
	Class RL	1 valid sale	No Value
	Group RG	4 valid sales	= Col.6D ÷ 10

Col. 16 = Equalized Business Assessment

= Col. 14 ÷ Col. 8 if class ratio exists.

or = Col. 14 ÷ Col. 9M if no class ratio exists and if group sales are 5 or more.

or = Col. 14 ÷ Col. 10 if no class ratio exists and group sales are less than 5.

1970 EQUALIZATION FACTOR CALCULATION

CODE: County/District & Municipality... 27-06
NAME: County/District & Municipality... UTOPIA... DREAMVILLE...

EXHIBIT 5

I T E M	SAMPLE DATA			ASSMT. AS RETURNED		ESTIMATE OF MARKET VALUE	RATIOS			NO. OF SALES			BUSINESS ASSMT.	*EQUALIZED ASSESSMENT = 5 + 8 or = 6 + 9 or = 6 + 10	D I V I S I O N	*EQUALIZED BUS. ASSMT. = 14 + 8 or = 14 + 9M or = 14 + 10
	Prop. Class Code	Sum of Assessed Values	Sum of Market Values	With Class Ratio	Without Class Ratio		Class = 3 + 4	Group	Municipal	Total	Rej.	Valid				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Coll.
A	RM	1,700	5,600	-	150,000									576,923	9D	
B	R	11,300	44,400	400,000	-	= (5D + 6M) + 9D	.25450	= 3D + 4D		1	0	1		1,571,709	8B	
C	RL	-	-	-	60,000					14	3	11		230,769	9D	
D	RG	13,000	50,000	400,000	210,000	2,346,154		.26000	*	0	0	0		-		
E	F	15,000	45,000	100,000	-	= (5G + 6C) + 9G	.33333	= 3G + 4G		15	3	12		-		
F	FL	600	1,500	-	50,000					12	1	11		300,000	8E	* (USE 9D IF (9D > 9G FOR THESE ROWS
G	FG	15,600	46,500	100,000	50,000	447,121		.33548	*	2	2	12		149,040	9C	
H	C	-	-	-	300,000				= 5N + 6N + 7N	14	2	0		-		
J	VCL	20,000	66,000	-	200,000	= (5M + 6M) + 9M		= 3M + 4M		2	2	0	40,000	-	10	139,363
K	I	-	-	-	240,000					5	2	3		-		
L	VIL	-	-	-	50,000					6	6	0	80,000	-	10	278,726
M	CG	20,000	66,000	0	790,000			.30303	*	0	0	0		-		
N	Total	48,600	162,500	500,000	1,050,000	2,607,003				13	10	3		2,752,421	10	
P	T'PH & T'GH WIRE MILEAGE			10,000		5,400,278			.28702	42	15	27		-		
Q	T'PH & T'GH GROSS RECPTS.			15,000		-	1.0000							10,000		
R	TRANSMISSION PIPE LINES			20,000		-	.25000	= PREVIOUS YEAR'S FACTOR						15,000		
S	RAILWAY COMPANIES			10,000		-	.28702	= RATIO 9M) IF 13M) OR N10 = 5 or more)						80,000		
T	WASTE LAND			5,000		-	1.0000							34,841		
														5,000		
V	GRAND TOTALS			560,000	1,050,000					120,000				5,725,703	-	418,089

1970 EQUALIZATION = 5V + 6V + 14V = 560,000 + 1,050,000 = 1,730,000
FACTOR 15V + 16V = 5,725,703 + 418,089 = 6,143,792

*Group ratios are to be used for equalization only if there are 5 or more valid sales in a group. If there are less than 5 valid sales in a group equalized by the municipal ratio.

= 28.2

APPENDIX B

FORMULA FOR CALCULATION
OF WEIGHTING FACTORS

GRANT WEIGHTING FACTORS

1972

FOR COMPENSATORY EDUCATION, SPECIAL EDUCATION, AND COST DIFFERENTIALS

C o s t D i f f e r e n t i a l s						
Compensatory Education	Special Education	Economies of Scale	Commodities	Transfers	Age	Sparsity
All boards in excess of the median (17) on a scale designed to measure the need for compensatory education receive a W.F. of .01 for secondary purposes and .02 for elementary purposes to reflect the cost of providing these special services, a board's rating on the scale being the sum of its ratings on 3 independent variables: 1. % of population in receipt of welfare benefits 2. ratio of immigrants to the total population 3. % of income tax returns with taxable income less than \$4,000 Decile groupings were determined for each variable and boards were ranked from 1 to 10 on the basis of their decile placing.	All boards in excess of the median (5.75%) with regard to the ratio of special education teachers to personnel to the total elementary teaching force receive a W.F. of .01 for each 2% in excess of the median up to a maximum of .03 to reflect the cost of providing these special services, a board's rating on the scale being the sum of its ratings on 3 independent variables: All secondary boards in excess of the median (8%) with regard to the ratio of resident trainable retarded pupils to the total secondary school enrollment receive a W.F. of .01 for each per cent in excess of the median to reflect the cost of providing these services.	All boards with an ADE of less than 3,000 receive a W.F. of .01 to reflect the additional administrative expenses experienced by small boards.	All district boards receive a W.F. of .01 to reflect regional differences in the price of commodities.	All boards in excess of the 75th percentile (elementary 24%; secondary 10%) with regard to the ratio of transfers-in to total enrollment receive a W.F. of .01 to reflect additional expenses experienced when the transfer-in rate is high, with a W.F. of .02 being applied when the rate is in excess of 26% elementary and 12% secondary.	All boards in excess of the median (15.8%) with regard to the ratio of technical and occupational teachers to the total secondary teaching force receive a W.F. of .01 to reflect the cost of providing more extensive vocational education services.	All district boards receive a W.F. of .07 to reflect the cost of obtaining a teaching force comparable to that of counties and cities. All secondary school boards with greater than 50% of their enrollment in schools with less than 300 pupils receive a W.F. of .02 to reflect lower pupil-teacher ratios that result when a small board provides a comprehensive program.

EXPENDITURE WEIGHTING FACTORS
1972
GRANT WEIGHTING FACTOR PLUS SUM OF OTHER FACTORS

Grant Weighting Factor	Teacher Experience	Teacher Qualifications	Population Density	Special Education Adjustment
Sum of the weighting factors a board receives for compulsory education, special education and cost differentials. Refer to Appendix .	All boards in excess of the 75th percentile (elementary 9.5 years; secondary 9.6 years) with regard to the average years of teaching experience of its teaching force receive a W.F. of .01 for each year in excess of the 75th percentile (calculated for the year) to reflect the additional cost of maintaining the teaching force.	All boards in excess of the 75th percentile (20%) with regard to the per cent of their elementary teaching force with degrees, receive a W.F. of .01 for each 10% in excess of the 75th percentile (calculated for the closest whole per cent) to reflect the additional cost of maintaining the teaching force.	All boards with a density rating, measured in terms of population per acre of: 1.5 - 4.4 receive a W.F. of .02 secondary and .04 elementary. 4.5 - 7.4 receive a W.F. of .03 secondary and .06 elementary. 7.5 - 10.4 receive a W.F. of .04 secondary and .08 elementary. More than 10.5 receive a W.F. of .05 secondary and .10 elementary	All elementary boards receive the difference between their special education W.F. for grant purposes and a special education W.F. derived in a comparable manner on the basis of 1972 data. The above special education adjustment to be effective September, 1972.
	All boards in excess of the 75th percentile (50%) with regard to the per cent of their secondary teaching force in salary categories 3 and 4 receive a W.F. of .01 for each 10% in excess of the 75th percentile (calculated for the closest whole per cent).		to reflect problems and conditions associated with high density environments.	

WEIGHTING FACTORS1973GRANT WEIGHTING FACTORS

1. Special Education

All boards in excess of the median with regard to expenditure per pupil for special education services receive a weighting factor to offset the expenditure in excess of the median up to a maximum of .030.

Calculation:

A) Sum of the following qualified staff:

Teachers who are itinerant
 Teachers in self-contained programs
 Consultants
 Teacher-Diagnosticians
 Co-ordinators
 Resource or Withdrawal Teachers

$$B) \frac{A \times .67 \times \$9,000}{\text{Board enrolment}} = \$/\text{pupil}$$

.67 - as pupil-teacher ratio approximately 1/3 of the main-stream program

\$9000 - average elementary salary

$$C) B \times 1.5 = \$/\text{pupil}$$

1.5 - to recognize additional services and personnel related to special education programs not included in A.

$$D) C + \frac{\text{Teacher Aides} \times .5 \times \$9000}{\text{Board Enrolment}} = \$/\text{pupil}$$

.5 - teacher aides paid approximately $\frac{1}{2}$ elementary rate

Median is \$21.92/pupil

$$\text{Board's factor is } \frac{D - \text{Median}}{\$630}$$

Data Sources: 1972 June Board Report; 1971 Principal's Statistical Report

2. Compensatory Education

All boards in excess of the median on a scale designed to measure the need for compensatory education services receive a weighting factor to reflect the cost of providing these special services. The factors are graduated according to the need for these special services with the measurement of need being the sum of the board's rating on 3 independent variables.

- (a) % of population in receipt of welfare benefits
- (b) % of income tax returns with taxable income less than \$4000
- (c) % of population with neither English nor French as their official language

	<u>Secondary</u>	<u>Elementary</u>
17 - 21.9	.010	.020
22 - 26.9	.015	.030
Σ 27	.020	.040

Calculation:

- A) % of population in receipt of welfare benefits

	<u>Rating</u>
\leq 2.24	1
2.25 - 3.49	2
3.50 - 4.74	3
4.75 - 5.99	4
6.00 - 7.24	5
7.25 - 8.49	6
8.50 - 9.74	7
9.75 - 10.99	8
11.00 - 12.24	9
Σ 12.25	10

Data Source: Ministry of Community and Social Services

2. (continued)

B) % of income tax returns with taxable income less than \$4000

	<u>Rating</u>
31.25 - 33.99	1
34.00 - 36.74	2
36.75 - 39.49	3
39.50 - 42.24	4
42.25 - 44.99	5
45.00 - 47.74	6
47.75 - 50.49	7
50.50 - 53.24	8
53.25 - 55.99	9
≥ 56	10

Data Source: Taxation Statistics (1972 edition), Department of National Revenue

C) % of population with neither English nor French as their official language

	<u>Rating</u>
.05 - .34	2
.35 - .64	4
.65 - .94	6
.95 - 1.24	8
1.25 - 1.54	10
1.55 - 1.84	12
1.85 - 2.14	14
2.15 - 2.44	16
2.45 - 2.74	18
≥ 2.75	20

Date Source: Decennial Census of 1961 92-523

3. Bilingual Composite

All boards with smaller bilingual composite schools (≤ 879 pupils) receive a weighting factor to offset the additional cost of operating such schools. For this purpose, a bilingual composite school will be defined as one:

- (a) having at least three subjects taught in the French language in each of the school years (1-5), and at least three subjects taught in the English language in each of the years, and
- (b) having at least a total of six commercial and technical shops, with there being at least three technical shops, each staffed by a properly certified teacher.

A factor ranging from .01 for a school with an enrolment between 860 and 879 pupils, to .25 for a school with an enrolment less than 400, will be multiplied by the ratio of the school's enrolment to determine the board's weighting factor.

Calculation:

$$\frac{\text{School enrolment (30/9/72)}}{\text{Board enrolment (30/9/72)}} \times \text{School Factor}$$

Weighting Factor = A or sum of A if more than one school

<u>School Enrolment</u>	<u>School Factor</u>	<u>School Enrolment</u>	<u>School Factor</u>
0 - 399	.25	640 - 659	.12
400 - 419	.24	660 - 679	.11
420 - 439	.23	680 - 699	.10
440 - 459	.22	700 - 719	.09
460 - 479	.21	720 - 739	.08
480 - 499	.20	740 - 759	.07
500 - 519	.19	760 - 779	.06
520 - 539	.18	780 - 799	.05
540 - 559	.17	800 - 819	.04
560 - 579	.16	820 - 839	.03
580 - 599	.15	840 - 859	.02
600 - 619	.14	860 - 879	.01
620 - 639	.13		

Data Source: Survey of Regional Offices

4. Technical and Occupational

All boards in excess of the median with regard to expenditure per pupil for vocational - technical and occupations - practical education receive a weighting factor to offset the expenditure in excess of the median up to a maximum of .020.

Calculation:

Vocational - technical and
occupations - practical teachers x .33 x \$13000 = \$/pupil
Board enrolment

.33 - as pupil-teacher ratio approximately 2/3 of the main-stream program

\$13000 - average secondary salary

Median is \$35.38/pupil

Board's factor is $\frac{\text{Board's expenditure} - \text{Median}}{\$1130}$

Data Source: 1972 June Board Report

5. Goods and Services

All boards in a territorial district north of the French River that do not include a city or town with a population in excess of 25,000 within their jurisdiction, receive a weighting factor of .060 to reflect the cost of goods and services in Northern Ontario. All other boards in a territorial district and boards in a district municipality or provisional county receive a weighting factor of .040.

6. Age of School Facilities

All boards in excess of the median with regard to the percentage of pupil places provided before 1945 receive a weighting factor to offset the additional plant operation and maintenance costs related to older school facilities up to a maximum of .020.

Calculation:

<u>Elementary</u>			<u>Secondary</u>		
14.75 - 16.24	-	.001	10 - 10.99	-	.001
16.25 - 17.74	-	.002	11 - 11.99	-	.002
17.75 - 19.24	-	.003	12 - 12.99	-	.003
19.25 - 20.74	-	.004	13 - 13.99	-	.004
20.75 - 22.24	-	.005	14 - 14.99	-	.005
22.25 - 23.74	-	.006	15 - 15.99	-	.006

6. Calculation (continued)

<u>Elementary</u>			<u>Secondary</u>		
23.75 - 25.24	-	.007	16 - 16.99	-	.007
25.25 - 26.74	-	.008	17 - 17.99	-	.008
26.75 - 28.24	-	.009	18 - 18.99	-	.009
28.25 - 29.74	-	.010	19 - 19.99	-	.010
29.75 - 31.24	-	.011	20 - 20.99	-	.011
31.25 - 32.74	-	.012	21 - 21.99	-	.012
32.75 - 34.24	-	.013	22 - 22.99	-	.013
34.25 - 35.74	-	.014	23 - 23.99	-	.014
35.75 - 37.24	-	.015	24 - 24.99	-	.015
37.25 - 38.74	-	.016	25 - 25.99	-	.016
38.75 - 40.24	-	.017	26 - 26.99	-	.017
40.25 - 41.74	-	.018	27 - 27.99	-	.018
41.75 - 43.24	-	.019	28 - 28.99	-	.019
\geq 43.25	-	.020	\geq 29	-	.020

Data Source: School Business and Finance Branch

7. Admissions

All boards in excess of the median with regard to the ratio of admissions, other than at the beginning of the school year, to total enrolment receive a weighting factor to reflect additional costs experienced when the admission rate is high up to a maximum of .020.

Calculation:

<u>Elementary</u>			<u>Secondary</u>		
6.50 - 6.99	-	.001	2.50 - 2.74	-	.001
7.00 - 7.49	-	.002	2.75 - 2.99	-	.002
7.50 - 7.99	-	.003	3.00 - 3.24	-	.003
8.00 - 8.49	-	.004	3.25 - 3.49	-	.004
8.50 - 8.99	-	.005	3.50 - 3.74	-	.005
9.00 - 9.49	-	.006	3.75 - 3.99	-	.006
9.50 - 9.99	-	.007	4.00 - 4.24	-	.007
10.00 - 10.49	-	.008	4.25 - 4.49	-	.008
10.50 - 10.99	-	.009	4.50 - 4.74	-	.009

7. Calculation (continued)

<u>Elementary</u>				<u>Secondary</u>			
11.00 - 11.49	-	.010		4.75 - 4.99	-	.010	
11.50 - 11.99	-	.011		5.00 - 5.24	-	.011	
12.00 - 12.49	-	.012		5.25 - 5.49	-	.012	
12.50 - 12.99	-	.013		5.50 - 5.74	-	.013	
13.00 - 13.49	-	.014		5.75 - 5.99	-	.014	
13.50 - 13.99	-	.015		6.00 - 6.24	-	.015	
14.00 - 14.49	-	.016		6.25 - 6.49	-	.016	
14.50 - 14.99	-	.017		6.50 - 6.74	-	.017	
15.00 - 15.49	-	.018		6.75 - 6.99	-	.018	
15.50 - 15.99	-	.019		7.00 - 7.24	-	.019	
16.00 - 16.49	-	.020		≥ 7.25	-	.020	

Data Source: Principal's Statistical Report
School Business and Finance Branch

8. Economies of Scale

A) School Boards

All boards with an enrolment less than 3,000 receive a weighting factor to reflect additional administrative costs experienced by small boards.

<u>Enrolment</u>	<u>Weighting Factor</u>
2000 - 2999	.010
1000 - 1999	.015
< 1000	.020

B) Schools

All secondary school boards with greater than 50% of their enrolment in small schools receive a weighting factor to reflect lower pupil-teacher ratios that result when a small school provides a comprehensive program.

<u>Enrolment</u>	<u>Weighting Factor</u>
400 - 499	.010
300 - 399	.020
< 300	.030

9. Total weighting factor for grant purposes is the sum of items 1 to 8, but never less than 75% of the board's weighting factor for grant purposes in 1972.

WEIGHTING FACTORS1973EXPENDITURE WEIGHTING FACTORS

1. Instructional Salaries

All boards in excess of the 25th percentile with regard to expenditure per pupil for a combination of teacher experience, teacher qualifications, and salary schedules, receive a weighting factor to offset the expenditure in excess of the 25th percentile up to a maximum of .040.

Calculation:

A) Sum of board's expenditure per pupil for the following:

- (i) teacher experience
- (ii) teacher qualifications
- (iii) salary schedules

B) Board's factor is $\frac{A - 25\text{th percentile}}{\$630/\$1130}$

25th percentile elementary is \$151

25th percentile secondary is \$260

.

(1) Teacher Experience

Board's experience x $\frac{\text{average increment for Province}}{\text{average pupil-teacher ratio for Province}} = \$/\text{pupil}$

$\frac{\text{Average increment for Province}}{\text{Average pupil-teacher ratio for Province}} = \begin{matrix} \$17 \text{ Elementary and} \\ \$28 \text{ Secondary} \end{matrix}$

Board's experience = $\frac{\text{Total experience recognized for salary purposes}}{\text{Total number of teachers}}$

1. (i) (continued)

Elementary

	<u>Number of Teachers</u>		<u>Experience recognized for Salary Purposes</u>
Beginners	_____	x 0 =	_____
1 - 3 years	_____	x 2 =	_____
4 - 6 years	_____	x 5 =	_____
7 - 9 years	_____	x 8 =	_____
<u>></u> 10 years	_____	x 10 =	_____
Totals	=====		=====

Secondary

Beginners	_____	x 0 =	_____
1 - 3 years	_____	x 2 =	_____
4 - 6 years	_____	x 5 =	_____
7 - 9 years	_____	x 8 =	_____
10 - 12 years	_____	x 11 =	_____
<u>></u> 13 years	_____	x 13 =	_____
Totals	=====		=====

Data Source: Principal's Statistical Report

(ii) Teacher Qualifications

Board's factor x $\frac{\text{average salary in Category 1 for Province}}{\text{average pupil-teacher ratio for Province}}$ = \$/pupil

$\frac{\text{Average salary in Category 1 for Province}}{\text{Average pupil-teacher ratio for Province}}$ = \$274 Elementary and \$553 Secondary

Board's factor = $\frac{\text{board's weighted teachers}}{\text{board's teachers}}$ - 1

Board's weighted teachers = $\frac{\text{number of teachers in each category}}{\text{in each category}}$ x $\frac{\text{average salary for each category for Province}}{\text{average salary for Category 1 for Province}}$

1. (ii) (continued)

		<u>Elementary</u>	<u>Secondary</u>
Average salary for each category for Province	Category I	1	1
	Category II	1.15	1.05
Average salary for Category I for Province	Category III	1.29	1.17
	Category IV	1.50	1.25

Data Source: Principal's Statistical Report

(iii) Salary Schedules

$$\left(\frac{\text{Board's salary schedule}}{\text{Lowest salary schedule for Province}} - 1 \right) \times .7 \times \$630/\$1130 = \$/\text{pupil}$$

$\frac{\text{Board's salary schedule}}{\text{Lowest salary schedule}}$ --- based on representative points on schedules

.7 --- instructional salaries approximately 70% of ordinary expenditures

Data Source: Ontario School Trustees' Council

2. Population Density

All boards with a high population density rating, measured in terms of population per acre, receive a weighting factor to reflect problems and conditions associated with high density environments.

<u>Population Per Acre</u>	<u>Weighting Factor</u>	
	<u>Elementary</u>	<u>Secondary</u>
1.5 - 4.4	.040	.020
4.5 - 7.4	.060	.030
7.5 - 10.4	.080	.040
\geq 10.5	.100	.050

3. Total weighting factor for expenditure purposes is the sum of a board's grant weighting factor and its weighting factor for instructional salaries and population density, but never less than 75% of the board's weighting factor for expenditure purposes in 1972.

WEIGHTING FACTORS

1974

GRANT WEIGHTING FACTORS

1. Special Education

All boards in excess of the median with regard to expenditure per pupil for special education services receive a weighting factor to offset the expenditure in excess of the median up to a maximum of .040.

Calculation:

A) Full-time equivalent of the following special education staff:

Teacher-diagnosticians
Co-ordinators
Consultants
Resource or withdrawal teachers
Itinerant teachers
Teachers in self-contained programs
Other special education teachers supporting either self-contained or integrated programs

B) Full-time equivalent of special education teacher-aides paid by board.

$$C) \frac{[(A \times .67) + (B \times .5)]}{\text{Board Enrolment}} \times (10,000) = \$/\text{pupil}$$

(A x .67) - as pupil teacher ratio approximately 1/3 of the mainstream program

(B x .5) - as teacher-aides paid approximately ½ elementary ratio

\$10,000 - average elementary salary

$$D) C \times 1.5 = \$/\text{pupil}$$

1.5 - to recognize additional services and personnel related to special education programs not included in C.

1. (continued)

E) Board's factor is $\frac{D - \text{Median}}{\$683}$

Median - \$23.25

Data Sources: Special education teachers and aides - 1973 June
Board Report
Enrolment - 1972 September School Report

2. Compensatory Education

All boards in excess of the median on a scale designed to measure the need for compensatory education services receive a weighting factor to reflect the cost of providing these special services. The factors are graduated according to the need for these special services with the measurement of need being the sum of the board's rating on four independent variables.

- (a) % of population in receipt of welfare benefits
- (b) % of all income tax returns with taxable income less than \$4000
- (c) % of population with neither English nor French as their official language
- (d) the number of public housing units per capita

	<u>Secondary</u>	<u>Elementary</u>
19.0 - 21.49	.010	.020
22.5 - 25.99	.015	.030
26.0 - 29.49	.020	.040

Calculation:

- A) % of population in receipt of welfare benefits

	<u>Rating</u>
1.41 - 2.369	1
2.37 - 3.329	2
3.33 - 4.289	3
4.29 - 5.249	4
5.25 - 6.209	5
6.21 - 7.169	6
7.17 - 8.129	7
8.13 - 9.089	8

2. (continued)

	<u>Rating</u>
9.09 - 10.049	9
10.05 - 11.009	10

Data Source: Ministry of Community and Social Services

B) % of all income tax returns with taxable income less than \$4000

	<u>Rating</u>
32.45 - 34.529	1
34.53 - 36.609	2
36.61 - 38.689	3
38.69 - 40.769	4
40.77 - 42.849	5
42.85 - 44.929	6
44.93 - 47.009	7
47.01 - 49.089	8
49.09 - 51.169	9
51.17 - 53.249	10

Data Source: Taxation Statistics (1973 edition), Department of National Revenue

C) % of population with neither English nor French as their official language

	<u>Rating</u>
.37 - 2.569	1
2.57 - 4.769	2
4.77 - 6.969	3
6.97 - 9.169	4
9.17 - 11.369	5
11.37 - 13.569	6
13.57 - 15.769	7
15.77 - 17.969	8
17.97 - 20.169	9
20.17 - 22.369	10

Data Source: Decennial Census of 1971

2. (continued)

D) the number of public housing units per capita

	<u>Rating</u>
0 - .000819	1
.00082 - .001639	2
.00164 - .002459	3
.00246 - .003279	4
.00328 - .004099	5
.00410 - .004919	6
.00492 - .005739	7
.00574 - .006559	8
.00656 - .007379	9
.00738 - .008199	10

Data Source: Ontario Housing Corporation

3. French-English Composite

All boards with smaller french-english composite schools (≤ 879 pupils) receive a weighting factor to offset the additional cost of operating such schools. For this purpose, a french-english composite school will be defined as one:

- (a) having at least 10 credits taught in the French language and at least 10 credits taught in the English language, and
- (b) having at least a total of six commercial and technical shops, with there being at least three technical shops, each staffed by a properly certified teacher.

A factor ranging from .01 for a school with an enrolment between 860 and 879 pupils, to .25 for a school with an enrolment less than 400, is multiplied by the ratio of the school enrolment to the board enrolment to determine the board's weighting factor.

Calculation:

$$A) \frac{\text{School enrolment (30/9/73)}}{\text{Board enrolment (30/9/73)}} \times \text{School Factor}$$

Weighting factor = A or sum of A if more than one school

3. (continued)

<u>School Enrolment</u>	<u>School Factor</u>	<u>School Enrolment</u>	<u>School Factor</u>
0 - 399	.25	640 - 659	.12
400 - 419	.24	660 - 679	.11
420 - 439	.23	680 - 699	.10
440 - 459	.22	700 - 719	.09
460 - 479	.21	720 - 739	.08
480 - 499	.20	740 - 759	.07
500 - 519	.19	760 - 779	.06
520 - 539	.18	780 - 799	.05
540 - 559	.17	800 - 819	.04
560 - 579	.16	820 - 839	.03
580 - 599	.15	840 - 859	.02
600 - 619	.14	860 - 879	.01
620 - 639	.13		

Data Source: Survey of Regional Offices

4. Technical and Occupational

All boards in excess of the median with regard to expenditure per pupil for technical and occupations - practical education receive a weighting factor to offset the expenditure in excess of the median.

Calculation:

A) Full-time equivalent technical and occupations - practical teachers.

$$B) \frac{\frac{(A)}{3} \times \$13,750}{\text{Board Enrolment}} = \$/\text{pupil}$$

3 - as pupil teacher ratio approximately 2/3 of the mainstream program

\$13,750 - average secondary salary

$$C) \text{ Factor for salaries is } \frac{B - \text{Median}}{1,210}$$

Median - \$36

4. (continued)

D) If B greater than the median (\$36)

$$\left[\left(\frac{B}{36} \right) \left(\frac{6}{1,210} \right) \right] - \left(\frac{6}{1,210} \right) = \text{factor for equipment}$$

\$6 - median expenditure for vocational education equipment

E) Board's technical and occupation weighting factor is $(C + D) \times 1.5$

1.5 - to recognize additional services and personnel related to technical and occupations - practical programs

Data Source: Technical and Occupations - practical teachers - 1973
June Board Report
Enrolment - 1972 September School Report

5. Goods and Services

All boards in a territorial district north of the French River that do not include a city or town with a population in excess of 25,000 within their jurisdiction, receive a weighting factor of .090 to reflect the cost of goods and services in Northern Ontario. All other boards in a territorial district and boards in a district municipality or provisional county receive a weighting factor of .060.

6. Age of School Facilities

All boards in excess of the median with regard to the percentage of pupil places provided before 1945 receive a weighting factor to offset the additional plant operation and maintenance costs related to older school facilities up to a maximum of .020.

Calculation:

<u>Elementary</u>	<u>Secondary</u>
14.75 - 16.24 - .001	10 - 10.99 - .001
16.25 - 17.74 - .002	11 - 11.99 - .002
17.75 - 19.24 - .003	12 - 12.99 - .003
19.25 - 20.74 - .004	13 - 13.99 - .004
20.75 - 22.24 - .005	14 - 14.99 - .005
22.25 - 23.74 - .006	15 - 15.99 - .006
23.75 - 25.24 - .007	16 - 16.99 - .007
25.25 - 26.74 - .008	17 - 17.99 - .008
26.75 - 28.24 - .009	18 - 18.99 - .009

6. (continued)

<u>Elementary</u>	<u>Secondary</u>
28.25 - 29.74 - .010	19 - 19.99 - .010
29.75 - 31.24 - .011	20 - 20.99 - .011
31.25 - 32.74 - .012	21 - 21.99 - .012
32.75 - 34.24 - .013	22 - 22.99 - .013
34.25 - 35.74 - .014	23 - 23.99 - .014
35.75 - 37.24 - .015	24 - 24.99 - .015
37.25 - 38.74 - .016	25 - 25.99 - .016
38.75 - 40.24 - .017	26 - 26.99 - .017
40.25 - 41.74 - .018	27 - 27.99 - .018
41.75 - 43.24 - .019	28 - 28.99 - .019
> 43.25 - .020	> 29 - .020

Data Source: School Business and Finance Branch

7. Admissions

All boards in excess of the median with regard to the ratio of admissions, other than admissions during the month of September, to total enrolment receive a weighting factor to reflect additional costs experienced when the admission rate is high up to a maximum of .020.

Calculation:

<u>Elementary</u>	<u>Secondary</u>
6.99 - 7.519 - .001	2.83 - 3.269 - .001
7.52 - 8.049 - .002	3.27 - 3.709 - .002
8.05 - 8.579 - .003	3.71 - 4.149 - .003
8.58 - 9.109 - .004	4.15 - 4.589 - .004
9.11 - 9.639 - .005	4.59 - 5.029 - .005
9.64 - 10.169 - .006	5.03 - 5.469 - .006
10.17 - 10.699 - .007	5.47 - 5.909 - .007
10.70 - 11.229 - .008	5.91 - 6.349 - .008
11.23 - 11.759 - .009	6.35 - 6.789 - .009
11.76 - 12.289 - .010	6.79 - 7.229 - .010
12.29 - 12.819 - .011	7.23 - 7.669 - .011
12.82 - 13.349 - .012	7.67 - 8.109 - .012
13.35 - 13.879 - .013	8.11 - 8.549 - .013

7. (continued)

<u>Elementary</u>	<u>Secondary</u>
13.88 - 14.409 - .014	8.55 - 8.989 - .014
14.41 - 14.939 - .015	8.99 - 9.429 - .015
14.94 - 15.469 - .016	9.43 - 9.869 - .016
15.47 - 15.999 - .017	9.87 - 10.309 - .017
16.00 - 16.529 - .018	10.31 - 10.749 - .018
16.53 - 17.059 - .019	10.75 - 11.189 - .019
17.06 - 17.589 - .020	11.19 - 11.629 - .020

Data Source: Admission - 1972 September School Report
 Enrolment - 1972 September School Report

8. Economies of Scale

A) School Boards

All boards with an enrolment less than 3,000 receive a weighting factor to reflect additional administrative costs experienced by small boards.

<u>Enrolment</u>	<u>Weighting Factor</u>
2,000 - 2,999	.010
1,000 - 1,999	.015
< 1,000	.020

B) Schools

I. Elementary

All boards with an average elementary school enrolment of less than 200 pupils per school receive a weighting factor to reflect additional administrative and instructional costs experienced in the operation of small schools.

<u>Average Enrolment</u>	<u>Weighting Factor</u>
195 - 199	.003
190 - 194	.006
185 - 189	.009
180 - 184	.012
175 - 179	.015
170 - 174	.018
165 - 169	.021

8. (continued)

<u>Average Enrolment</u>	<u>Weighting Factor</u>
160 - 164	.024
155 - 159	.027
150 - 154	.030
145 - 149	.033
140 - 144	.036
135 - 139	.039
130 - 134	.042
125 - 129	.045
120 - 124	.048
115 - 119	.051
110 - 114	.054
105 - 109	.057
< 105	.060

Data Source: 1972 September School Report

II. Secondary

All boards with small isolated secondary schools receive a weighting factor to offset the additional administrative and instructional costs experienced in the operation of such schools. All schools with an enrolment of less than 250 pupils that are located at least 35 miles from the nearest secondary school, receive an additional 10 per cent per pupil.

Calculation:

$$A) \frac{\text{School enrolment 30/9/73}}{\text{Board enrolment 30/9/73}} \times .1$$

Weighting factor = A or sum of A if more than one school

Data Source: Survey of Regional Offices

9. Instructional Salaries

See Item 9 under Expenditure Weighting Factors. In previous years this factor was applicable for expenditure purposes only but, in 1974, fifty per cent of the weighting factor calculated for expenditure purposes by a board will be allowed for grant purposes.

WEIGHTING FACTORS1974EXPENDITURE WEIGHTING FACTORS

9. Instructional Salaries

All boards in excess of the 25th percentile with regard to expenditure per pupil for a combination of teacher experience and teacher qualifications receive a weighting factor to offset the expenditure in excess of the 25th percentile up to a maximum of .030.

Calculation:

A) Sum of the board's expenditure per pupil for the following:

(i) teacher experience

(ii) teacher qualifications

B) Board's factor is $\frac{A - 25\text{th percentile}}{683/1,210}$

25th percentile elementary is \$164

25th percentile secondary is \$247

(i) Teacher experience

Board's experience x $\frac{\text{Average increment for Province}}{\text{Average pupil-teacher ratio for Province}} = \$/\text{pupil}$

$\frac{\text{Average increment for Province}}{\text{Average pupil-teacher ratio for Province}} = \$19 \text{ elementary and } \30 secondary

Board's experience = $\frac{\text{Total experience recognized for salary purposes}}{\text{Total number of teachers}}$

9. (continued)

Elementary

	<u>Number of teachers</u>		<u>Experience recognized for salary purposes</u>
Beginners	_____	x 0 =	_____
1 - 3 years	_____	x 2 =	_____
4 - 6 years	_____	x 5 =	_____
7 - 9 years	_____	x 8 =	_____
> 10 years	_____	x 10 =	_____
Totals	=====		=====

Secondary

	<u>Number of teachers</u>		<u>Experience recognized for salary purposes</u>
Beginners	_____	x 0 =	_____
1 - 3 years	_____	x 2 =	_____
4 - 6 years	_____	x 5 =	_____
7 - 9 years	_____	x 8 =	_____
10 - 12 years	_____	x 11 =	_____
> 13 years	_____	x 13 =	_____
Totals	=====		=====

Data Source: 1972 September School Report

(11) Teacher Qualifications

$$\text{Board's factor} \times \frac{\text{Average salary in Category I for Province}}{\text{Average pupil-teacher ratio for Province}} = \$/\text{pupil}$$

$$\frac{\text{Average salary in Category I for Province}}{\text{Average pupil-teacher ratio for Province}} = \begin{matrix} \$290 \text{ elementary and} \\ \$598 \text{ secondary} \end{matrix}$$

$$\text{Board's factor} = \left(\frac{\text{Board's weighted teachers}}{\text{Board's teachers}} \right) - 1$$

9. (continued)

Board's weighted teachers =

$$\frac{\text{Number of teachers in each Category}}{\text{Average salary for each Category I for Province}} \times \frac{\text{Average salary for each Category for Province}}{\text{Average salary for Category I for Province}}$$

		<u>Elementary</u>	<u>Secondary</u>
Average salary for each Category for Province	(Category I	1	1
	(Category II	1.17	1.05
Average salary for Category I for Province	(Category III	1.31	1.18
	(Category IV	1.58	1.25

Data Source: 1972 September School Report

10. Population Density

All boards with a high population density rating, measured in terms of population per acre, receive a weighting factor to reflect problems and conditions associated with high density environments.

<u>Population per acre</u>	<u>Weighting factor</u>	
	<u>Elementary</u>	<u>Secondary</u>
1.75 - 4.749	.040	.020
4.75 - 7.749	.060	.030
7.75 - 10.749	.080	.040
10.75 - 13.749	.100	.050

Data Source: Acreage - 1971 Clerk's Returns
Population - 1973 Municipal Directory

Total weighting factor for grant purposes

Sum of items 1 to 8 and 50% of item 9, but never less than 90% of the board's weighting factor for grant purposes for 1973.

Total weighting factor for expenditure purposes

Sum of the board's grant weighting factor, item 10 and 50% of item 9, but never less than 90% of the board's weighting factor for expenditure purposes for 1973.

APPENDIX C

WEIGHTING FACTORS

1970 to 1974

WEIGHTING FACTORS

1970 to 1974

PUBLIC

	Elementary		Secondary	
	Grant Weighting Factor	Expenditure Weighting Factor	Grant Weighting Factor	Expenditure Weighting Factor
Atikoken B. of Ed.				
1974	1.140	1.155	1.132	1.147
1973	1.124	1.164	1.092	1.132
1972	1.130	1.163	1.100	1.124
1971 ^a				
1970 ^b				
Brant County B. of Ed.				
1974	1.047	1.056	1.023	1.038
1973	1.023	1.023	1.008	1.030
1972	1.030	1.030	1.010	1.012
Bruce County B. of Ed.				
1974	1.022	1.055	1.017	1.032
1973	1.021	1.061	1.002	1.004
1972	1.000	1.017	1.007	1.007
Carleton B. of Ed.				
1974	1.032	1.051	1.034	1.047
1973	1.030	1.056	1.023	1.032
1972	1.040	1.044	1.030	1.037
Central Algoma B. of Ed.				
1974	1.170	1.185	1.152	1.152
1973	1.120	1.160	1.115	1.155
1972	1.110	1.110	1.134	1.134
Chapleau B. of Ed.				
1974	1.153	1.153	1.120	1.120
1973	1.120	1.151	1.100	1.100
1972	1.130	1.130	1.110	1.110

Notes: ^a See page 334 for explanation of weighting factors in 1970 and 1971.
^b

PUBLIC (Continued)

	Elementary			Secondary		
	Grant Weighting Factor	Expenditure Weighting Factor		Grant Weighting Factor	Expenditure Weighting Factor	
Cochrane-Iroquois Falls B. of Ed.	1974	1.155	1.170	1.180	1.180	
	1973	1.123	1.163	1.145	1.153	
	1972	1.110	1.110	1.110	1.110	
Dryden B. of Ed.	1974	1.147	1.152	1.122	1.122	
	1973	1.105	1.138	1.084	1.100	
	1972	1.140	1.140	1.104	1.104	
Dufferin County B. of Ed.	1974	1.032	1.043	1.015	1.029	
	1973	1.007	1.021	1.008	1.020	
	1972	1.000	1.002	1.010	1.010	
East Parry Sound B. of Ed.	1974	1.146	1.161	1.081	1.081	
	1973	1.098	1.120	1.090	1.090	
	1972	1.130	1.130	1.120	1.120	
Elgin County B. of Ed.	1974	1.033	1.056	1.021	1.036	
	1973	1.031	1.062	1.023	1.036	
	1972	1.040	1.050	1.035	1.049	
Espanola B. of Ed.	1974	1.170	1.170	1.146	1.161	
	1973	1.138	1.161	1.093	1.129	
	1972	1.150	1.150	1.110	1.111	
Essex County B. of Ed.	1974	1.041	1.056	1.021	1.026	
	1973	1.023	1.054	1.023	1.023	
	1972	1.030	1.031	1.034	1.034	
Fort Frances-Rainy River B. of Ed.	1974	1.172	1.187	1.117	1.126	
	1973	1.130	1.170	1.090	1.111	
	1972	1.130	1.144	1.120	1.120	
Frontenac County B. of Ed.	1974	1.037	1.057	1.025	1.040	
	1973	1.030	1.063	1.015	1.020	
	1972	1.040	1.044	1.021	1.028	

PUBLIC (Continued)

	Elementary		Secondary	
	Grant Weighting Factor	Expenditure Weighting Factor	Grant Weighting Factor	Expenditure Weighting Factor
Geraldton B. of Ed.	1974	1.163	1.128	1.128
	1973	1.115	1.129	1.139
	1972	1.110	1.110	1.110
Grey County B. of Ed.	1974	1.041	1.026	1.041
	1973	1.023	1.011	1.043
	1972	1.030	1.010	1.010
Haldimand County B. of Ed.	1974	1.008	1.024	1.036
	1973	1.008	1.015	1.017
	1972	1.010	1.020	1.022
Haliburton County B. of Ed.	1974	1.110	1.085	1.085
	1973	1.095	1.089	1.089
	1972	1.110	1.076	1.076
Halton County B. of Ed. (now Halton B. of Ed.)	1974	1.026	1.018	1.033
	1973	1.015	1.008	1.022
	1972	1.020	1.010	1.013
Hamilton B. of Ed.	1974	1.086	1.055	1.110
	1973	1.072	1.192	1.103
	1972	1.060	1.044	1.084
Hastings County B. of Ed.	1974	1.035	1.021	1.035
	1973	1.038	1.023	1.026
	1972	1.050	1.030	1.030
Hearst B. of Ed.	1974	1.147	1.199	1.199
	1973	1.125	1.170	1.170
	1972	1.130	1.125	1.125
Hornepayne B. of Ed.	1974	1.150	1.220	1.220
	1973	1.130	1.131	1.131
	1972	1.130	1.120	1.120

PUBLIC (Continued)

		Elementary		Secondary	
		Grant Weighting Factor	Expenditure Weighting Factor	Grant Weighting Factor	Expenditure Weighting Factor
Huron County B. of Ed.	1974	1.015	1.030	1.014	1.027
	1973	1.000	1.003	1.008	1.016
	1972	1.000	1.004	1.010	1.021
Kapuskasings B. of Ed.	1974	1.145	1.160	1.121	1.132
	1973	1.129	1.169	1.098	1.138
	1972	1.140	1.149	1.132	1.132
Kenora B. of Ed.	1974	1.192	1.207	1.122	1.129
	1973	1.143	1.183	1.082	1.107
	1972	1.150	1.175	1.091	1.091
Kent County B. of Ed.	1974	1.031	1.046	1.018	1.033
	1973	1.018	1.046	1.008	1.033
	1972	1.000	1.000	1.011	1.011
Kirkland Lake B. of Ed.	1974	1.161	1.176	1.128	1.135
	1973	1.134	1.156	1.090	1.123
	1972	1.150	1.150	1.110	1.112
Lakehead B. of Ed.	1974	1.107	1.123	1.107	1.122
	1973	1.098	1.136	1.082	1.100
	1972	1.110	1.110	1.100	1.100
Lake Superior B. of Ed.	1974	1.125	1.145	1.158	1.251
	1973	1.121	1.161	1.120	1.143
	1972	1.110	1.110	1.130	1.130
Lambton County B. of Ed.	1974	1.030	1.045	1.030	1.043
	1973	1.014	1.036	1.033	1.042
	1972	1.010	1.010	1.010	1.012
Lanark County B. of Ed.	1974	1.035	1.056	1.030	1.039
	1973	1.029	1.062	1.030	1.034
	1972	1.000	1.001	1.038	1.038

PUBLIC (Continued)

		Elementary		Secondary	
		Grant Weighting Factor	Expenditure Weighting Factor	Grant Weighting Factor	Expenditure Weighting Factor
Leeds and Grenville County B. of Ed.	1974	1.021	1.027	1.032	1.047
	1973	1.019	1.019	1.024	1.034
	1972	1.000	1.004	1.020	1.020
Lennox and Addington County B. of Ed.	1974	1.050	1.055	1.019	1.035
	1973	1.032	1.037	1.008	1.008
	1972	1.010	1.010	1.012	1.012
Lincoln County B. of Ed.	1974	1.050	1.065	1.021	1.041
	1973	1.028	1.068	1.005	1.045
	1972	1.030	1.033	1.001	1.016
London B. of Ed.	1974	1.055	1.130	1.045	1.108
	1973	1.038	1.120	1.030	1.087
	1972	1.050	1.150	1.040	1.082
Manitoulin B. of Ed.	1974	1.156	1.156	1.149	1.149
	1973	1.147	1.157	1.119	1.119
	1972	1.130	1.145	1.110	1.110
Metropolitan Toronto School Board	1974	1.109	1.257	1.065	1.161
	1973	1.085	1.225	1.051	1.121
	1972	1.100	1.213	1.050	1.111
Michipicoten B. of Ed.	1974	1.144	1.144	1.260	1.260
	1973	1.106	1.106	1.243	1.243
	1972	1.120	1.120	1.100	1.100
Middlesex County B. of Ed.	1974	1.014	1.026	1.016	1.031
	1973	1.015	1.017	1.008	1.028
	1972	1.020	1.020	1.010	1.014
Muskoka B. of Ed.	1974	1.111	1.126	1.101	1.116
	1973	1.064	1.095	1.068	1.068
	1972	1.080	1.091	1.092	1.092

PUBLIC (Continued)

		Elementary		Secondary	
		Grant Weighting Factor	Expenditure Weighting Factor	Grant Weighting Factor	Expenditure Weighting Factor
Niagara South B. of Ed.	1974	1.033	1.068	1.036	1.052
	1973	1.035	1.075	1.023	1.056
	1972	1.030	1.046	1.021	1.033
Nipigon-Red Rock B. of Ed.	1974	1.186	1.199	1.143	1.154
	1973	1.118	1.138	1.112	1.144
	1972	1.110	1.110	1.113	1.113
Nipissing B. of Ed.	1974	1.122	1.137	1.104	1.117
	1973	1.098	1.138	1.088	1.122
	1972	1.130	1.130	1.090	1.090
Norfolk County B. of Ed.	1974	1.047	1.061	1.036	1.051
	1973	1.031	1.039	1.023	1.035
	1972	1.040	1.040	1.020	1.021
North Shore B. of Ed.	1974	1.168	1.183	1.137	1.195
	1973	1.130	1.170	1.123	1.143
	1972	1.110	1.110	1.103	1.103
Northumberland and Durham County B. of Ed. (now Northumberland and Newcastle B. of Ed.)	1974	1.042	1.053	1.019	1.034
	1973	1.015	1.015	1.004	1.005
	1972	1.020	1.020	1.000	1.004
Ontario County B. of Ed. (now Durham B. of Ed.)	1974	1.026	1.026	1.017	1.032
	1973	1.022	1.022	1.012	1.017
	1972	1.000	1.000	1.000	1.000
Ottawa B. of Ed.	1974	1.094	1.263	1.033	1.104
	1973	1.063	1.203	1.036	1.115
	1972	1.080	1.196	1.040	1.090
Oxford County B. of Ed.	1974	1.028	1.043	1.021	1.036
	1973	1.011	1.024	1.004	1.039
	1972	1.010	1.014	1.000	1.003

PUBLIC (Continued)

		Elementary		Secondary	
		Grant Weighting Factor	Expenditure Weighting Factor	Grant Weighting Factor	Expenditure Weighting Factor
Peel County B. of Ed. (now Peel B. of Ed.)	1974	1.024	1.048	1.020	1.035
	1973	1.015	1.053	1.000	1.034
	1972	1.020	1.022	1.000	1.004
Perth County B. of Ed.	1974	1.025	1.040	1.020	1.035
	1973	1.021	1.034	1.005	1.026
	1972	1.020	1.020	1.000	1.000
Peterborough County B. of Ed.	1974	1.043	1.058	1.028	1.043
	1973	1.020	1.033	1.008	1.017
	1972	1.010	1.011	1.010	1.010
Prescott and Russell County B. of Ed.	1974	1.029	1.050	1.028	1.028
	1973	1.030	1.055	1.010	1.010
	1972	1.040	1.053	1.016	1.016
Prince Edward County B. of Ed.	1974	1.038	1.044	1.038	1.047
	1973	1.042	1.042	1.015	1.015
	1972	1.020	1.020	1.026	1.026
Red Lake B. of Ed.	1974	1.166	1.166	1.131	1.131
	1973	1.136	1.164	1.115	1.115
	1972	1.120	1.120	1.102	1.102
Renfrew County B. of Ed.	1974	1.066	1.077	1.027	1.032
	1973	1.045	1.062	1.030	1.034
	1972	1.060	1.060	1.040	1.040
Sault Ste. Marie B. of Ed.	1974	1.106	1.121	1.092	1.103
	1973	1.083	1.123	1.075	1.100
	1972	1.110	1.114	1.100	1.100
Simcoe County B. of Ed.	1974	1.025	1.044	1.017	1.032
	1973	1.015	1.048	1.013	1.036
	1972	1.020	1.040	1.010	1.010

PUBLIC (Continued)

		Elementary		Secondary	
		Grant Weighting Factor	Expenditure Weighting Factor	Grant Weighting Factor	Expenditure Weighting Factor
Stormont, Dundas and Glengarry County B. of Ed.	1974	1.035	1.051	1.036	1.051
	1973	1.026	1.056	1.016	1.024
	1972	1.020	1.037	1.021	1.033
Sudbury B. of Ed.	1974	1.123	1.138	1.090	1.090
	1973	1.090	1.130	1.075	1.075
	1972	1.120	1.120	1.100	1.100
Timiskaming B. of Ed.	1974	1.132	1.141	1.103	1.103
	1973	1.092	1.112	1.074	1.076
	1972	1.110	1.113	1.090	1.090
Timmins B. of Ed.	1974	1.145	1.154	1.099	1.099
	1973	1.120	1.160	1.090	1.106
	1972	1.140	1.140	1.124	1.124
Victoria County B. of Ed.	1974	1.027	1.036	1.021	1.036
	1973	1.030	1.040	1.015	1.026
	1972	1.040	1.055	1.020	1.033
Waterloo County B. of Ed.	1974	1.058	1.073	1.024	1.039
	1973	1.039	1.049	1.015	1.028
	1972	1.040	1.046	1.020	1.030
Wellington County B. of Ed.	1974	1.017	1.034	1.019	1.034
	1973	1.015	1.037	1.007	1.019
	1972	1.020	1.022	1.000	1.003
Wentworth County B. of Ed.	1974	1.014	1.031	1.015	1.031
	1973	1.015	1.034	1.002	1.034
	1972	1.020	1.020	1.000	1.003
West Parry Sound B. of Ed.	1974	1.107	1.120	1.108	1.123
	1973	1.090	1.130	1.068	1.108
	1972	1.120	1.120	1.090	1.116

PUBLIC (Continued)

	Elementary		Secondary	
	Grant Weighting Factor	Expenditure Weighting Factor	Grant Weighting Factor	Expenditure Weighting Factor
Windsor B. of Ed.				
1974	1.097	1.172	1.051	1.096
1973	1.074	1.174	1.031	1.098
1972	1.050	1.150	1.041	1.075
York County B. of Ed.				
1974	1.028	1.054	1.018	1.036
1973	1.023	1.059	1.006	1.040
1972	1.030	1.030	1.001	1.003

SEPARATE

	Elementary	
	Grant Weighting Factor	Expenditure Weighting Factor
Brant County R.C.S.S. Board	1974	1.003
	1973	1.003
	1972	1.000
Bruce-Grey County R.C.S.S. Board	1974	1.015
	1973	1.016
	1972	1.010
		1.013
Carleton R.C.S.S. Board	1974	1.035
	1973	1.038
	1972	1.050
		1.050
Cochrane-Iroquois Falls District R.C.S.S. Board	1974	1.128
	1973	1.108
	1972	1.110
		1.110
Dryden District R.C.S.S. Board	1974	1.162
	1973	1.138
	1972	1.120
		1.120
Dufferin-Peel R.C.S.S. Board	1974	1.014
	1973	1.015
	1972	1.020
		1.020
Elgin County R.C.S.S. Board	1974	1.028
	1973	1.024
	1972	1.030
		1.030
Essex County R.C.S.S. Board	1974	1.010
	1973	1.000
	1972	1.000
		1.000
Fort Frances-Rainy River District R.C.S.S. Board	1974	1.209
	1973	1.128
	1972	1.130
		1.130

SEPARATE (Continued)

	Elementary	
	Grant Weighting Factor	Expenditure Weighting Factor
Frontenac-Lennox and Addington County R.C.S.S. Board	1974	1.032
	1973	1.021
	1972	1.028
Geraldton District R.C.S.S. Board	1974	1.190
	1973	1.121
	1972	1.140
Haldimand-Norfolk County R.C.S.S. Board	1974	1.031
	1973	1.027
	1972	1.025
Halton County R.C.S.S. Board (now Halton R.C.S.S. Board)	1974	1.000
	1973	1.000
	1972	1.000
Hastings-Prince Edward County R.C.S.S. Board	1974	1.030
	1973	1.033
	1972	1.044
Hearst District R.C.S.S. Board	1974	1.130
	1973	1.110
	1972	1.120
Huron-Perth County R.C.S.S. Board	1974	1.019
	1973	1.000
	1972	1.000
Kapuskasung District R.C.S.S. Board	1974	1.122
	1973	1.090
	1972	1.100
Kenora District R.C.S.S. Board	1974	1.186
	1973	1.123
	1972	1.140

SEPARATE (Continued)

SEPARATE (Continued)	Elementary		
	Grant Weighting Factor	Expenditure Weighting Factor	
Kent County R.C.S.S. Board	1974	1.012	1.024
	1973	1.000	1.016
	1972	1.000	1.000
Kirkland Lake District R.C.S.S. Board	1974	1.135	1.138
	1973	1.105	1.105
	1972	1.120	1.120
Lakehead District R.C.S.S. Board	1974	1.098	1.112
	1973	1.083	1.097
	1972	1.100	1.100
Lambton County R.C.S.S. Board	1974	1.015	1.030
	1973	1.008	1.013
	1972	1.010	1.017
Lanark-Leeds and Grenville County R.C.S.S. Board	1974	1.008	1.008
	1973	1.000	1.000
	1972	1.000	1.000
Lincoln County R.C.S.S. Board	1974	1.020	1.027
	1973	1.000	1.005
	1972	1.000	1.000
London and Middlesex County R.C.S.S. Board	1974	1.029	1.102
	1973	1.032	1.095
	1972	1.142	1.126
Metropolitan Separate School Board	1974	1.058	1.171
	1973	1.050	1.190
	1972	1.050	1.157
Michipicoten District R.C.S.S. Board	1974	1.159	1.159
	1973	1.130	1.130
	1972	1.130	1.130

SEPARATE (Continued)

	Elementary	
	Grant Weighting Factor	Expenditure Weighting Factor
Nipigon-Red Rock District R.C.S.S. Board	1.134	1.143
	1.120	1.158
	1.110	1.110
Nipissing District R.C.S.S. Board	1.090	1.098
	1.075	1.103
	1.100	1.100
North Shore District R.C.S.S. Board	1.110	1.110
	1.090	1.115
	1.100	1.100
Ontario County R.C.S.S. Board (now Durham Region R.C.S.S. Board)	1.008	1.009
	1.008	1.010
	1.010	1.010
Ottawa R.C.S.S. Board	1.064	1.179
	1.055	1.166
	1.070	1.170
Oxford County R.C.S.S. Board	1.016	1.016
	1.010	1.010
	1.010	1.010
Peterborough-Victoria-Northumberland and Durham County R.C.S.S. Board (now Peterborough-Victoria- Northumberland and Newcastle R.C.S.S. Board)	1.028	1.043
	1.030	1.030
	1.002	1.004
Prescott and Russell County R.C.S.S. Board	1.044	1.050
	1.023	1.028
	1.030	1.037
Renfrew County R.C.S.S. Board	1.031	1.031
	1.030	1.030
	1.040	1.040

SEPARATE (Continued)

		Elementary	
		Grant Weighting Factor	Expenditure Weighting Factor
Sault Ste. Marie District R.C.S.S. Board	1974	1.096	1.110
	1973	1.075	1.113
	1972	1.100	1.104
Schreiber-Terrace Bay District R.C.S.S. Board	1974	1.156	1.156
	1973	1.120	1.158
	1972	1.110	1.110
Simcoe County R.C.S.S. Board	1974	1.016	1.023
	1973	1.017	1.025
	1972	1.023	1.023
Stormont, Dundas and Glengarry County R.C.S.S. Board	1974	1.060	1.060
	1973	1.027	1.027
	1972	1.030	1.030
Sudbury District R.C.S.S. Board	1974	1.094	1.096
	1973	1.075	1.106
	1972	1.100	1.115
Timiskaming District R.C.S.S. Board	1974	1.140	1.140
	1973	1.090	1.090
	1972	1.110	1.110
Timmins District R.C.S.S. Board	1974	1.095	1.095
	1973	1.105	1.105
	1972	1.140	1.140
Waterloo County R.C.S.S. Board	1974	1.015	1.022
	1973	1.016	1.016
	1972	1.010	1.012
Welland County R.C.S.S. Board	1974	1.022	1.035
	1973	1.020	1.033
	1972	1.000	1.004

SEPARATE (Continued)

	Elementary	
	Grant Weighting Factor	Expenditure Weighting Factor
Wellington County R.C.S.S. Board	1974	1.013
	1973	1.000
	1972	1.000
Wentworth County R.C.S.S. Board (now Hamilton-Wentworth R.C.S.S. Board)	1974	1.030
	1973	1.033
	1972	1.044
Windsor R.C.S.S. Board	1974	1.048
	1973	1.038
	1972	1.050
York County R.C.S.S. Board	1974	1.012
	1973	1.003
	1972	1.000

Notes: ^aIn 1971, two weighting factors were provided as follows:

- (1) a "course weighting factor"
 - (a) for a pupil enrolled in an elementary school
 - (i) where French is the language of instruction 1.04
 - (ii) in a French program for English-speaking pupils for not less than 20 minutes per day in a class up to and including grade 8 1.04
 - (iii) in a course in French for English-speaking pupils in grade 9 and 10 1.02
 - (b) for a pupil enrolled in a secondary school in a course in French for English-speaking pupils, for which course one or more credits are given 1.01
 - (c) for a pupil enrolled in a secondary school, in respect of subjects other than French referred to in subclause (b)
 - (i) where 1 subject is taught to the pupil in the French language 1.02
 - (ii) where 2 subjects are taught to the pupil in the French language 1.04
 - (iii) where 3 subjects are taught to the pupil in the French language 1.06
 - (iv) where 4 subjects are taught to the pupil in the French language 1.08
 - (v) where 5 or more subjects are taught to the pupil in the French language 1.1
 - (d) for a pupil other than a pupil referred to under subclause (a), (b), or (c) 1
- (2) a "location weighting factor"
 - (a) for a pupil resident in a provisional county or in a territorial district 1.1
 - (b) for a pupil who resides in a defined city and who is enrolled
 - (i) in an elementary school 1.1
 - (ii) in a secondary school 1.05
 - (c) for a pupil other than a pupil referred to under subclause (a) or (b) 1

^bIn 1970, two weighting factors were provided as follows:

- (1) a "course weighting factor" for a pupil enrolled in a course in français in a secondary school 1.1

- (2) a "Location weighting factor" 1.1
 - (a) for a pupil resident in a provisional county or in a territorial district 1.1
 - (b) for a pupil resident in an urban municipality having a population of 190,000 or more as determined by reference to the municipal census taken in the preceding year and who was enrolled
 - (i) in an elementary school 1.2
 - (ii) in a secondary school 1.1

APPENDIX D

CALCULATION OF GRANT CEILINGS ON ORDINARY
EXPENDITURE PER RESIDENT-INTERNAL PUPIL

1972

ELEMENTARY - PUBLIC

CALCULATION OF GRANT CEILINGS ON ORDINARY EXPENDITURE PER RESIDENT-INTERNAL PUPIL

1972

	Base Ceiling Per Pupil (Col.1)	Grant Weighting Factor (Col.2)	French- Language Factor (Col.3)	Recognized Ordinary Expenditure Per Pupil Cols.1x2x3 (Col.4)	Average Daily Enrolment (Col.5)	Recognized Ordinary Expenditure Total (Col.6)	Ordinary Grant Rate Percentage (Col.7)	Grant Calculated on Recognized Ordinary Expenditure Cols.6x7x100 (Col.8)	Actual Grant on Recognized Ordinary Expenditure (Col.9)
<u>Board</u>									
Atikokan B. of Ed.	\$595.00	1.130	1.0243	\$688.69	1,033.95	\$ 712,071.00	84.34	\$ 600,561.00	\$ 600,561.00
Brant County B. of Ed.	595.00	1.030	1.0107	619.41	12,519.84	7,128,151.00	62.88	4,482,181.00	4,482,181.00
Bruce County B. of Ed.	595.00	1.000	1.0116	601.90	6,908.65	4,017,329.00	67.91	2,728,168.00	2,728,168.00
Carleton B. of Ed.	595.00	1.040	1.0484	648.75	21,657.70	14,159,487.00	71.33	10,099,962.00	10,099,962.00
Central Algoma B. of Ed.	595.00	1.110	1.0251	677.03	1,644.45	1,111,590.00	84.93	944,073.00	944,073.00
Chapleau B. of Ed.	595.00	1.130	1.0385	698.24	424.00	250,770.00	86.22	216,214.00	216,214.00
Cochrane-Iroquois Falls B. of Ed.	595.00	1.110	1.0517	694.60	1,892.45	1,312,371.00	74.54	978,241.00	978,241.00
Dryden B. of Ed.	595.00	1.140	1.0404	705.70	3,273.80	1,987,057.00	79.86	1,586,864.00	1,586,864.00
Dufferin County B. of Ed.	595.00	1.000	1.0166	604.88	3,959.59	2,140,442.00	68.44	1,464,919.00	1,464,919.00
East Parry Sound B. of Ed.	595.00	1.130	1.0140	681.76	3,044.65	1,855,091.00	78.92	1,464,038.00	1,464,038.00
Elgin County B. of Ed.	595.00	1.040	1.0106	625.36	9,363.30	5,487,084.00	62.38	3,422,843.00	3,422,843.00
Espanola B. of Ed.	595.00	1.150	1.0473	716.61	1,257.00	864,368.00	68.28	590,190.00	590,190.00
Essex County B. of Ed.	595.00	1.030	1.0058	616.40	10,743.40	6,352,483.00	53.26	3,383,332.00	3,383,332.00

ELEMENTARY - PUBLIC (Continued)

	Base Ceiling Per Pupil (Col.1)	Grant Weighting Factor (Col.2)	French- Language (Col.3)	Recognized Ordinary Expenditure Per Pupil Cols.1x2x3 (Col.4)	Average Daily Enrollment (Col.5)	Recognized Ordinary Expenditure Total (Col.6)	Ordinary Expenditure Grant Rate Percentage (Col.7)	Grant Calculated on Recognized Ordinary Expenditure Cols.6x7÷100 (Col.8)	Actual Grant on Recognized Ordinary Expenditure (Col.9)
Board									
Fort Frances-Rainy River B. of Ed.	\$595.00	1.130	1.0144	\$682.03	2,545.00	\$ 1,622,743.00	80.25	\$ 1,302,251.00	\$ 1,302,251.00
Frontenac County									
B. of Ed.	595.00	1.040	1.0170	629.32	12,875.80	8,161,018.00	64.99	5,303,845.00	5,303,845.00
Geraldton									
B. of Ed.	595.00	1.110	1.0437	689.31	642.10	429,895.00	82.27	353,675.00	353,675.00
Grey County									
B. of Ed.	595.00	1.030	1.0121	620.27	10,199.60	6,485,331.00	65.56	4,251,783.00	4,251,783.00
Haldimand County									
B. of Ed.	595.00	1.010	1.000	600.95	5,141.45	2,573,493.00	66.59	1,713,689.00	1,713,689.00
Haliburton County									
B. of Ed.	595.00	1.110	1.0132	670.49	1,596.55	998,661.00	45.01	449,497.00	449,497.00
Halton County									
B. of Ed.	595.00	1.020	1.0172	617.34	31,181.25	18,075,561.00	58.87	10,641,083.00	10,641,083.00
Hamilton									
B. of Ed.	595.00	1.060	1.0111	637.70	31,934.20	20,366,962.00	48.16	9,808,729.00	9,808,729.00
Hastings County									
B. of Ed.	595.00	1.050	1.0160	634.75	14,514.10	8,682,722.00	74.91	6,504,227.00	6,504,227.00
Hearst									
B. of Ed.	595.00	1.130	1.055	709.24	258.40	168,407.00	74.15	124,874.00	124,874.00
Homepayne									
B. of Ed.	595.00	1.130	1.0524	707.58	243.30	132,448.00	89.09	117,998.00	117,998.00
Huron County									
B. of Ed.	595.00	1.000	1.037	617.02	8,042.00	4,289,699.00	70.77	3,035,820.00	3,035,820.00
Kapuskasing									
B. of Ed.	595.00	1.140	1.0520	713.57	819.05	584,450.00	24.88	145,411.00	168,331.00
Kenora									
B. of Ed.	595.00	1.150	1.0221	699.37	2,335.80	1,633,588.00	70.37	1,149,556.00	1,149,556.00
Kent County									
B. of Ed.	595.00	1.000	1.0225	608.39	12,740.90	7,251,034.00	61.56	4,463,737.00	4,463,737.00

ELEMENTARY - PUBLIC (Continued)

Board	Base Ceiling Per Pupil (Col. 1)	Grant Weighting Factor (Col. 2)	French- Language Factor (Col. 3)	Recognized Ordinary Expenditure Per Pupil Cols. 1x2x3 (Col. 4)	Average Daily Enrollment (Col. 5)	Recognized Ordinary Expenditure Total (Col. 6)	Ordinary Expenditure Grant Rate Percentage (Col. 7)	Grant Calculated on Recognized Ordinary Expenditure Cols. 6x7x100 (Col. 8)	Actual Grant on Recognized Ordinary Expenditure (Col. 9)
Kirkland Lake B. of Ed.	\$595.00	1.150	1.0472	\$716.55	2,135.40	\$ 1,473,178.00	84.93	\$ 1,251,170.00	\$ 1,251,170.00
Lakehead B. of Ed.	595.00	1.110	1.0149	670.29	14,019.40	9,264,021.00	66.64	6,173,544.00	6,173,544.00
Lake Superior B. of Ed.	595.00	1.110	1.0423	688.35	1,289.10	888,503.00	66.44	888,503.00	590,321.00
Lambton County B. of Ed.	595.00	1.010	1.0124	608.40	15,345.55	9,339,338.00	54.15	5,057,252.00	5,057,252.00
Lanark County B. of Ed.	595.00	1.000	1.0186	606.08	5,494.20	3,282,794.00	71.49	2,346,869.00	2,346,869.00
Leeds & Grenville County B. of Ed.	595.00	1.000	1.0193	606.48	11,148.45	6,391,374.00	69.28	4,427,944.00	4,427,944.00
Lennox & Addington County B. of Ed.	595.00	1.010	1.0217	613.99	5,186.40	3,139,097.00	76.32	2,395,759.00	2,395,759.00
Lincoln County B. of Ed.	595.00	1.030	1.0148	621.92	21,459.35	13,359,739.00	61.98	8,280,366.00	8,280,366.00
London B. of Ed.	595.00	1.050	1.0114	631.87	29,177.30	18,452,576.00	61.48	11,347,597.00	11,347,597.00
Manitowlin B. of Ed.	595.00	1.130	1.0100	679.07	1,284.25	802,287.00	77.07	618,330.00	618,330.00
Metropolitan Toronto School Board	595.00	1.100	1.0221	668.96	247,439.42	165,594,976.00	36.71	60,789,916.00	60,789,916.00
Michipicoten B. of Ed.	595.00	1.120	1.000	666.40	623.70	367,679.00	58.14	213,769.00	213,769.00
Middlesex County B. of Ed.	595.00	1.020	1.0089	612.31	8,822.05	4,608,986.00	64.42	2,969,109.00	2,969,109.00
Muskoka B. of Ed.	595.00	1.080	1.014	651.60	5,075.40	3,250,718.00	35.63	1,158,231.00	1,158,231.00
Niagara South B. of Ed.	595.00	1.030	1.0246	627.93	22,840.09	14,346,464.00	57.24	8,211,916.00	8,211,916.00

ELEMENTARY - PUBLIC (Continued)

Board	Base Ceiling Per Pupil (Col.1)	Grant Weighting Factor (Col.2)	French-Language Factor (Col.3)	Recognized Ordinary Expenditure Per Pupil Cols.1x2x3 (Col.4)	Average Daily Enrolment (Col.5)	Recognized Ordinary Expenditure Total (Col.6)	Ordinary Expenditure Grant Rate Percentage (Col.7)	Grant Calculated on Recognized Ordinary Expenditure Cols.6x7÷100 (Col.8)	Actual Grant on Ordinary Expenditure (Col.9)
Nipigon-Red Rock B. of Ed.	\$595.00	1.110	1.0337	\$682.70	671.15	\$ 458,812.00	60.17	\$ 276,067.00	\$ 276,067.00
Nipissing B. of Ed.	595.00	1.130	1.0469	703.88	6,518.73	4,213,729.00	71.67	3,019,980.00	3,019,980.00
Norfolk County B. of Ed.	595.00	1.040	1.0025	620.35	7,546.20	3,936,928.00	59.65	2,348,378.00	2,348,378.00
North Shore B. of Ed.	595.00	1.110	1.036	684.23	1,920.49	1,315,646.00	78.96	1,038,834.00	1,038,834.00
Northumberland & Durham County B. of Ed.	595.00	1.020	1.000	606.90	16,043.85	8,635,158.00	69.82	6,029,067.00	6,029,067.00
Ontario County B. of Ed.	595.00	1.000	1.0166	604.88	31,274.00	18,051,553.00	61.46	11,094,484.00	11,094,484.00
Ottawa B. of Ed.	595.00	1.080	1.0497	674.54	23,065.76	15,585,337.00	37.41	5,830,475.00	5,830,475.00
Oxford County B. of E.	595.00	1.010	1.0161	610.63	1,990.85	1,222,539.00	81.02	990,501.00	990,501.00
Peel County B. of Ed.	595.00	1.020	1.0107	613.39	45,092.85	27,104,363.00	53.23	14,427,652.00	14,427,652.00
Perth County B. of Ed.	595.00	1.020	1.0134	615.05	9,269.35	4,765,838.00	66.08	3,149,266.00	3,149,266.00
Peterborough County B. of Ed.	595.00	1.010	1.0251	616.03	11,599.46	7,195,196.00	55.88	4,020,676.00	4,020,676.00
Prescott & Russell County B. of Ed.	595.00	1.040	1.0504	649.99	938.50	771,347.00	62.88	447,294.00	447,294.00
Prince Edward County B. of Ed.	595.00	1.020	1.0250	622.07	3,584.20	1,951,118.00	75.70	1,476,996.00	1,476,996.00
Red Lake B. of Ed.	595.00	1.120	1.0301	686.46	1,173.50	653,365.00	80.95	528,899.00	528,899.00
Renfrew County B. of Ed.	595.00	1.060	1.0288	648.86	9,097.40	5,779,963.00	76.23	4,406,066.00	4,406,066.00
Sault Ste. Marie B. of Ed.	595.00	1.110	1.017	671.68	10,100.30	6,787,667.00	66.23	4,495,472.00	4,495,472.00

ELEMENTARY - PUBLIC (Continued)

<u>Board</u>		Base Ceiling Per Pupil (Col.1)	Grant Weighting Factor (Col.2)	French- Language Factor (Col.3)	Recognized Ordinary Expenditure Per Pupil Cols.1x2x3 (Col.4)	Average Daily Enrolment (Col.5)	Recognized Ordinary Expenditure Total (Col.6)	Ordinary Expenditure Grant Rate Percentage (Col.7)	Grant Calculated on Recognized Ordinary Expenditure Cols.6x7÷100 (Col.8)	Actual Grant on Recognized Ordinary Expenditure (Col.9)
Simcoe County B. of Ed.		\$595.00	1.020	1.0178	\$617.70	25,215.35	\$14,161,273.00	60.54	\$8,573,235.00	\$8,573,235.00
Stormont, Dundas & Glengarry County B. of Ed.		595.00	1.020	1.0367	629.17	8,084.90	5,075,859.00	63.74	3,235,353.00	3,235,353.00
Sudbury B. of Ed.		595.00	1.120	1.0252	683.19	15,255.46	10,431,539.00	66.16	6,901,506.00	6,901,506.00
Timiskaming B. of Ed.		595.00	1.110	1.0467	691.29	3,294.05	1,969,226.00	80.10	1,577,350.00	1,577,350.00
Timmins B. of Ed.		595.00	1.160	1.0518	725.96	3,222.05	2,165,604.00	72.16	1,562,700.00	1,562,700.00
Victoria County B. of Ed.		595.00	1.040	1.0035	620.97	5,245.85	2,652,821.00	60.53	1,605,753.00	1,605,753.00
Waterloo County B. of Ed.		595.00	1.040	1.0165	629.01	30,403.81	18,537,262.00	55.84	10,351,207.00	10,351,207.00
Wellington County B. of Ed.		595.00	1.020	1.0118	614.06	14,760.67	8,204,964.00	61.84	5,073,950.00	5,073,950.00
Wentworth County B. of Ed.		595.00	1.020	1.0121	614.24	14,439.75	8,564,382.00	65.80	5,635,363.00	5,635,363.00
West Parry Sound B. of Ed.		595.00	1.120	1.0003	666.60	2,732.70	1,767,283.00	64.94	1,147,674.00	1,147,674.00
Windsor B. of Ed.		595.00	1.050	1.0268	641.47	17,217.25	11,049,873.00	49.39	5,457,532.00	5,457,532.00
York County B. of Ed.		595.00	1.030	1.0148	621.92	28,420.00	16,894,748.00	58.07	9,810,780.00	9,810,780.00

ELEMENTARY - SEPARATE

Board	Base Ceiling Per Pupil (Col.1)	Grant Weighting Factor (Col.2)	French-Language Factor (Col.3)	Recognized Ordinary Expenditure Per Pupil Cols.1x2x3 (Col.4)	Average Daily Enrollment (Col.5)	Recognized Ordinary Expenditure Total (Col.6)	Ordinary Expenditure Grant Rate Percentage (Col.7)	Grant Calculated on Recognized Ordinary Expenditure Cols.6x7÷100 (Col.8)	Actual Grant on Recognized Ordinary Expenditure (Col.9)
Brant County									
RCSS Board	\$595.00	1.000	1.0117	\$601.96	3,511.34	\$ 1,844,142.00	86.17	\$ 1,589,097.00	\$ 1,589,097.00
Bruce-Grey County									
RCSS Board	595.00	1.010	1.0459	628.49	2,895.67	1,654,961.00	86.59	1,433,031.00	1,433,031.00
Carleton									
RCSS Board	595.00	1.050	1.0487	655.15	11,913.01	7,994,933.00	87.92	7,029,145.00	7,029,145.00
Cochrane-Iroquois Falls District RCSS Board	595.00	1.110	1.0494	693.12	2,355.13	1,546,864.00	93.37	1,444,307.00	1,444,307.00
Dryden District									
RCSS Board	595.00	1.120	1.0488	698.92	452.40	258,741.00	91.60	237,006.00	237,044.00
Dufferin-Peel County									
RCSS Board	595.00	1.020	1.0164	616.85	11,240.25	6,746,242.00	82.56	5,569,697.00	5,569,697.00
Elgin County									
RCSS Board	595.00	1.030	1.0087	618.80	1,725.28	1,036,928.00	81.71	847,273.00	847,273.00
Essex County									
RCSS Board	595.00	1.000	1.0256	610.23	9,812.05	5,593,649.00	81.12	4,537,568.00	4,537,568.00
Fort Frances-Rainy River District RCSS Board	595.00	1.130	1.0250	689.16	539.50	343,850.00	92.06	316,548.00	316,548.00
Frontenac-Lennox and Addington County									
RCSS Board	595.00	1.028	1.0233	625.91	3,934.90	2,425,543.00	85.32	2,069,473.00	2,069,473.00
Geraldton									
RCSS Board	595.00	1.140	1.0507	712.69	672.05	417,361.00	95.92	400,333.00	400,333.00
Haldimand-Norfolk County									
RCSS Board	595.00	1.025	1.0036	612.07	2,647.10	1,326,302.00	68.13	903,610.00	903,610.00
Halton County									
RCSS Board	595.00	1.000	1.0198	606.78	7,516.35	4,161,923.00	84.96	3,535,970.00	3,535,970.00
Hastings-Prince Edward County RCSS Board	595.00	1.044	1.0378	644.66	3,913.35	2,316,056.00	89.07	2,062,911.00	2,062,911.00

ELEMENTARY - SEPARATE (Continued)

Board	Base Ceiling Per Pupil (Col.1)	Grant Weighting Factor (Col.2)	French-Language Factor (Col.3)	Recognized Ordinary Expenditure Per Pupil Cols.1x2x3 (Col.4)	Average Daily Enrolment (Col.5)	Recognized Ordinary Expenditure Total (Col.6)	Ordinary Expenditure Grant Rate Percentage (Col.7)	Grant Calculated on Recognized Ordinary Expenditure Cols.6x7x100 (Col.8)	Actual Grant on Recognized Ordinary Expenditure (Col.9)
Hearst District RCSS Board	\$595.00	1.120	1.051	\$699.79	1,694.35	\$ 1,095,940.00	92.62	\$ 1,015,060.00	\$ 1,015,060.00
Huron-Perth County RCSS Board	595.00	1.000	1.0104	601.19	3,206.95	1,803,572.00	84.95	1,532,134.00	1,532,134.00
Kapuskasing District RCSS Board	595.00	1.100	1.0502	687.36	3,832.20	2,573,462.00	92.39	2,377,622.00	2,377,622.00
Kenora District RCSS Board	595.00	1.140	1.0323	700.21	896.75	612,052.00	89.39	547,113.00	547,113.00
Kent County RCSS Board	595.00	1.000	1.0386	617.97	5,553.35	3,065,898.00	82.42	2,526,913.00	2,526,913.00
Kirkland Lake District RCSS Board	595.00	1.120	1.0493	699.25	1,733.07	1,216,888.00	94.83	1,153,975.00	1,153,975.00
Lakehead District RCSS Board	595.00	1.100	1.0292	673.61	6,322.60	4,100,649.00	88.29	3,620,463.00	3,620,463.00
Lambton County RCSS Board	595.00	1.010	1.0155	610.27	4,811.75	2,982,060.00	87.09	2,597,076.00	2,597,076.00
Lanark-Leeds & Grenville County RCSS Board	595.00	1.000	1.0416	619.75	3,307.75	1,931,574.00	88.28	1,705,194.00	1,705,194.00
Lincoln County RCSS Board	595.00	1.000	1.0173	605.29	7,836.10	4,734,208.00	83.90	3,972,001.00	3,972,001.00
Metropolitan Separate School Board	595.00	1.050	1.0402	649.86	77,141.42	50,253,950.00	81.66	41,037,376.00	41,037,376.00
Michipicoten District RCSS Board	595.00	1.130	1.0489	705.23	685.85	389,803.00	94.70	369,143.00	369,143.00
Middlesex County RCSS Board	595.00	1.042	1.01824	631.30	10,366.10	6,515,786.00	85.99	5,602,924.00	5,602,924.00
Nipigon-Red Rock District RCSS Board	595.00	1.110	1.0520	694.79	436.60	264,632.00	96.33	254,920.00	254,920.00
Nipissing District RCSS Board	595.00	1.100	1.0486	686.31	9,996.30	6,579,428.00	92.47	6,083,997.00	6,083,997.00

ELEMENTARY - SEPARATE (Continued)

Board	Base Ceiling Per Pupil (Col.1)	Grant Weighting Factor (Col.2)	French-Language Factor (Col.3)	Recognized Ordinary Expenditure Per Pupil Cols.1x2x3 (Col.4)	Average Daily Enrolment (Col.5)	Recognized Ordinary Expenditure Total (Col.6)	Ordinary Expenditure Grant Rate Percentage (Col.7)	Grant Calculated on Recognized Ordinary Expenditure Cols.6x7x100 (Col.8)	Actual Grant on Recognized Ordinary Expenditure (Col.9)
North Shore District RCSS Board	\$595.00	1.100	1.0405	\$680.98	3,401.10	\$ 2,086,357.00	94.89	\$ 1,979,744.00	\$ 1,979,744.00
Ontario County RCSS Board	595.00	1.010	1.0257	616.37	8,611.45	5,253,899.00	87.84	4,615,025.00	4,615,025.00
Ottawa RCSS Board	595.00	1.070	1.0482	667.34	26,085.30	17,463,680.00	83.08	14,508,825.00	14,508,825.00
Oxford County RCSS Board	595.00	1.010	1.0161	610.63	1,990.85	1,222,539.00	81.02	990,501.00	990,501.00
Peterborough-Victoria-Northumberland & Durham County RCSS Board	595.00	1.002	1.0308	614.55	6,224.55	3,791,167.00	86.48	3,278,601.00	3,278,601.00
Prescott & Russell County RCSS Board	595.00	1.030	1.0501	643.55	8,089.80	4,893,489.00	87.95	4,303,824.00	4,303,824.00
Renfrew County RCSS Board	595.00	1.040	1.0363	641.26	6,872.60	4,259,653.00	91.52	3,898,434.00	3,898,434.00
Sault Ste. Marie District RCSS Board	595.00	1.100	1.0201	667.66	7,425.66	4,841,081.00	89.11	4,313,887.00	4,313,887.00
Schreiber-Terrace Bay District RCSS Board	595.00	1.110	1.0520	694.79	487.65	304,123.00	94.41	287,122.00	287,122.00
Simcoe County RCSS Board	595.00	1.023	1.0259	624.45	5,458.60	2,924,043.00	85.92	2,512,338.00	2,512,338.00
Stormont, Dundas and Glengarry County RCSS Board	595.00	1.030	1.0500	643.49	10,680.10	6,871,658.00	89.69	6,163,190.00	6,163,190.00
Sudbury District RCSS Board	595.00	1.100	1.0383	679.49	23,805.75	16,203,358.00	90.58	14,677,002.00	14,677,002.00
Timiskaming District RCSS Board	595.00	1.110	1.0507	693.89	2,318.50	1,464,573.00	93.23	1,365,421.00	1,365,421.00
Timmins District RCSS Board	595.00	1.140	1.0494	711.80	5,197.05	3,547,297.00	91.32	3,239,392.00	3,239,392.00

ELEMENTARY - SEPARATE (Continued)

Board	Base Ceiling Per Pupil (Col. 1)	Grant Weighting Factor (Col. 2)	French- Language Factor (Col. 3)	Recognized Ordinary Expenditure Per Pupil Cols. 1x2x3 (Col. 4)	Average Daily Enrollment (Col. 5)	Recognized Ordinary Expenditure Total (Col. 6)	Ordinary Expenditure Grant Rate Percentage (Col. 7)	Grant Calculated on Recognized Ordinary Expenditure Cols. 6x7÷100 (Col. 8)	Actual Grant on Recognized Ordinary Expenditure (Col. 9)
Waterloo County RCSS Board	\$595.00	1.010	1.0116	\$607.92	15,896.30	\$ 9,188,878.00	84.22	\$ 7,738,873.00	\$ 7,738,873.00
Welland County RCSS Board	595.00	1.000	1.0309	613.39	11,623.45	7,248,370.00	82.52	5,981,355.00	5,981,355.00
Wellington County RCSS Board	595.00	1.000	1.0114	601.78	4,791.63	2,768,782.00	83.73	2,318,301.00	2,318,301.00
Wentworth County RCSS Board	595.00	1.044	1.0138	629.75	22,820.60	14,196,892.00	86.72	12,311,545.00	12,311,545.00
Windsor RCSS Board	595.00	1.050	1.0276	641.99	18,821.90	12,012,261.00	85.32	10,248,861.00	10,248,861.00
York County RCSS Board	595.00	1.000	1.0323	614.22	4,631.20	2,995,063.00	83.80	2,509,863.00	2,509,863.00

SECONDARY

Board	Basic Ceiling Per Pupil (Col. 1)	Grant Weighting Factor (Col. 2)	French-Language Factor (Col. 3)	Recognized Ordinary Expenditure Per Pupil Cols. 1x2x3 (Col. 4)	Average Daily Enrolment (Col. 5)	Recognized Ordinary Expenditure Total (Col. 6)	Ordinary Expenditure Grant Rate Percentage (Col. 7)	Grant Calculated on Recognized Ordinary Expenditure Cols. 6x7x100 (Col. 8)	Actual Grant Rate Recognized Ordinary Expenditure (Col. 9)
Atikokan B. of Ed.	\$1,100.00	1.100	1.00258	\$1,213.12	626.81	\$ 760,890.00	88.69	\$ 674,833.00	\$ 695,954.00
Brant County B. of Ed.	1,100.00	1.010	1.0036	1,115.00	6,505.80	7,060,191.00	67.81	4,787,516.00	4,787,516.00
Bruce County B. of Ed.	1,100.00	1.007	1.0037	1,111.80	3,228.39	4,165,378.00	74.62	3,108,205.00	3,108,205.00
Carleton Place B. of Ed.	1,100.00	1.030	1.0107	1,145.12	10,796.44	14,439,208.00	74.56	10,765,873.00	10,765,873.00
Central Algonia B. of Ed.	1,100.00	1.134	1.0051	1,253.76	553.00	808,867.00	85.53	691,824.00	691,824.00
Chapleau B. of Ed.	1,100.00	1.110	1.0166	1,241.27	407.07	418,797.00	90.60	379,430.00	379,430.00
Cochrane-Iroquois Falls B. of Ed.	1,100.00	1.110	1.0251	1,251.65	1,779.79	2,174,110.00	86.05	1,870,822.00	1,870,822.00
Dryden B. of Ed.	1,100.00	1.104	1.0039	1,219.14	1,499.33	1,674,898.00	80.52	1,348,627.00	1,348,627.00
Dufferin County B. of Ed.	1,100.00	1.010	1.004	1,115.44	1,626.64	1,604,619.00	69.78	1,119,703.00	1,119,703.00
East Parry Sound B. of Ed.	1,100.00	1.120	1.0043	1,237.30	1,236.07	1,555,660.00	81.88	1,273,774.00	1,273,774.00
Elgin County B. of Ed.	1,100.00	1.035	1.0041	1,143.12	4,373.60	5,120,678.00	66.37	3,398,594.00	3,398,594.00
Espanola B. of Ed.	1,100.00	1.110	1.0043	1,226.25	1,044.01	1,267,217.00	80.67	1,022,264.00	1,022,264.00
Essex County B. of Ed.	1,100.00	1.034	1.0050	1,143.09	8,048.49	8,576,719.00	66.57	5,709,522.00	5,709,522.00
Fort Frances-Rainy River B. of Ed.	1,100.00	1.120	1.0041	1,237.05	1,526.88	1,770,066.00	85.93	1,521,018.00	1,521,018.00
Frontenac County B. of Ed.	1,100.00	1.021	1.0041	1,127.71	7,411.18	8,059,411.00	71.62	5,772,150.00	5,772,150.00

SECONDARY (Continued)

<u>Board</u>	<u>Basic Ceiling Per Pupil (Col.1)</u>	<u>Grant Weighting Factor (Col.2)</u>	<u>French-Language Factor (Col.3)</u>	<u>Recognized Ordinary Expenditure Per Pupil Cols.1x2x3 (Col.4)</u>	<u>Average Daily Enrollment (Col.5)</u>	<u>Recognized Ordinary Expenditure Total (Col.6)</u>	<u>Ordinary Expenditure Grant Rate Percentage (Col.7)</u>	<u>Grant Calculated on Recognized Ordinary Expenditure Cols.6x7÷100 (Col.8)</u>	<u>Actual Grant on Recognized Ordinary Expenditure (Col.9)</u>
Geraldton B. of Ed.	\$1,100.00	1.110	1.0082	\$1,231.01	461.56	\$ 538,996.00	87.75	\$ 472,969.00	\$ 472,969.00
Grey County B. of Ed.	1,100.00	1.010	1.0040	1,115.44	5,214.58	5,993,463.00	71.71	4,297,912.00	4,297,912.00
Haldimand County B. of Ed.	1,100.00	1.020	1.0032	1,125.59	2,663.56	2,843,171.00	72.85	2,071,250.00	2,071,250.00
Haliburton County B. of Ed.	1,100.00	1.076	1.0036	1,187.86	588.71	749,247.00	46.18	346,002.00	346,002.00
Halton County B. of Ed.	1,100.00	1.010	1.0056	1,117.22	17,020.62	17,534,145.00	65.51	11,486,618.00	11,486,618.00
Hamilton B. of Ed.	1,100.00	1.044	1.0036	1,152.53	19,440.62	22,416,443.00	59.00	13,225,701.00	13,225,701.00
Hastings County B. of Ed.	1,100.00	1.030	1.0036	1,137.08	7,819.02	8,737,557.00	78.81	6,886,068.00	6,886,068.00
Hearst B. of Ed.	1,100.00	1.125	1.0896	1,348.38	713.18	877,814.00	88.86	780,026.00	780,026.00
Hornepayne B. of Ed.	1,100.00	1.120	1.0079	1,241.73	86.30	136,184.00	89.09	121,326.00	121,326.00
Huron County B. of Ed.	1,100.00	1.010	1.004	1,115.44	4,026.73	4,307,850.00	75.75	3,263,196.00	3,263,196.00
Kapuskasing B. of Ed.	1,100.00	1.132	1.0448	1,300.98	2,017.39	2,452,766.00	81.67	2,003,174.00	2,003,174.00
Kenora B. of Ed.	1,100.00	1.091	1.0044	1,205.38	1,612.27	1,944,214.00	78.87	1,533,402.00	1,533,402.00
Kent County B. of Ed.	1,100.00	1.011	1.0042	1,116.77	7,655.96	8,171,190.00	70.64	5,772,129.00	5,772,129.00
Kirkland Lake B. of Ed.	1,100.00	1.110	1.0077	1,230.40	1,765.62	1,971,120.00	90.26	1,779,133.00	1,779,133.00
Lakehead B. of Ed.	1,100.00	1.100	1.0040	1,214.84	9,486.86	10,578,472.00	76.55	8,097,820.00	8,097,820.00

SECONDARY (Continued)

Board	Basic Ceiling Per Pupil (Col. 1)	Grant Weighting Factor (Col. 2)	French- Language Factor (Col. 3)	Recognized Ordinary Expenditure Per Pupil Cols. 1x2x3 (Col. 4)	Average Daily Enrollment (Col. 5)	Recognized Ordinary Expenditure Total (Col. 6)	Ordinary Expenditure Grant Rate Percentage (Col. 7)	Grant Calculated on Recognized Ordinary Expenditure Cols. 6x7÷100 (Col. 8)	Actual Grant on Recognized Ordinary Expenditure (Col. 9)
Lake Superior B. of Ed.	\$1,100.00	1.130	1.000	\$1,243.00	933.50	\$ 1,169,837.00	76.13	\$ 890,597.00	\$ 890,597.00
Lambton County B. of Ed.	1,100.00	1.010	1.0040	1,115.44	906,599.00	10,336,370.00	66.23	6,845,778.00	6,845,778.00
Lanark County B. of Ed.	1,100.00	1.038	1.0042	1,146.60	3,105.11	3,411,955.00	78.66	2,683,844.00	2,683,844.00
Leeds & Grenville County B. of Ed.	1,100.00	1.020	1.0049	1,127.50	5,900.87	6,583,992.00	76.04	5,006,468.00	5,006,468.00
Lennox & Addington County B. of Ed.	1,100.00	1.012	1.0031	1,116.65	2,240.45	2,516,542.00	77.70	1,955,353.00	1,955,353.00
Lincoln County B. of Ed.	1,100.00	1.001	1.0040	1,105.50	12,553.94	14,076,862.00	68.59	9,655,320.00	9,655,320.00
London B. of Ed.	1,100.00	1.040	1.0043	1,148.92	16,054.40	18,446,264.00	67.53	12,456,762.00	12,456,762.00
Manitoulin B. of Ed.	1,100.00	1.110	1.0035	1,225.27	616.21	618,951.00	80.52	498,379.00	498,379.00
Metropolitan Toronto School Board	1,100.00	1.050	1.0046	1,160.31	133,549.50	154,944,036.00	44.19	68,469,770.00	68,469,770.00
Michipicoten B. of Ed.	1,100.00	1.100	1.0060	1,217.26	529.24	593,267.00	75.80	449,693.00	449,693.00
Middlesex County B. of Ed.	1,100.00	1.010	1.0047	1,116.17	3,773.25	5,042,785.00	70.05	3,532,471.00	3,532,471.00
Muskoka B. of Ed.	1,100.00	1.092	1.0033	1,205.16	2,462.16	2,896,011.00	46.01	1,332,455.00	2,203,531.00
Niagara South B. of Ed.	1,100.00	1.021	1.0086	1,132.76	14,811.75	16,818,153.00	66.78	11,231,163.00	11,231,163.00
Nipigon-Red Rock B. of Ed.	1,100.00	1.113	1.0038	1,228.95	481.01	591,315.00	76.08	449,861.00	449,861.00
Nipissing B. of Ed.	1,100.00	1.090	1.0376	1,244.08	6,670.94	7,512,338.00	83.34	6,260,782.00	6,260,782.00

SECONDARY (Continued)

Board	Basic Ceiling Per Pupil (Col. 1)	Grant Weighting Factor (Col. 2)	French-Language Factor (Col. 3)	Recognized Ordinary Expenditure Per Pupil Cols. 1x2x3 (Col. 4)	Average Daily Enrollment (Col. 5)	Recognized Ordinary Expenditure Total (Col. 6)	Ordinary Expenditure Grant Rate Percentage (Col. 7)	Grant Calculated on Recognized Ordinary Expenditure Cols. 6x7÷100 (Col. 8)	Actual Grant on Recognized Ordinary Expenditure (Col. 9)
Norfolk County B. of Ed.	\$1,100.00	1.020	1.0037	\$1,126.15	4,133.14	\$ 4,596,165.00	63.72	\$ 2,928,676.00	\$ 2,928,676.00
North Shore B. of Ed.	1,100.00	1.103	1.0186	1,235.87	1,599.44	1,980,141.00	87.27	1,728,069.00	1,728,069.00
Northumberland & Durham County B. of Ed.	1,100.00	1.000	1.0038	1,104.18	7,560.00	8,517,610.00	73.64	6,272,368.00	6,272,368.00
Ontario County B. of Ed.	1,100.00	1.000	1.0044	1,104.84	14,777.68	16,295,348.00	65.05	10,910,468.00	10,910,468.00
Ottawa B. of Ed.	1,100.00	1.040	1.0284	1,176.49	25,527.78	30,066,782.00	66.64	20,036,503.00	20,036,503.00
Oxford County B. of Ed.	1,100.00	1.000	1.0042	1,104.62	5,632.83	6,826,716.00	68.83	4,698,829.00	4,698,829.00
Peel County B. of Ed.	1,100.00	1.000	1.0047	1,105.17	20,828.93	23,280,211.00	54.08	12,589,938.00	12,589,938.00
Perth County B. of Ed.	1,100.00	1.000	1.0044	1,104.84	4,728.64	4,711,586.00	71.09	3,349,466.00	3,349,466.00
Peterborough County B. of Ed.	1,100.00	1.010	1.0042	1,115.67	7,016.26	7,714,976.00	66.95	5,165,176.00	5,165,176.00
Prescott & Russell County B. of Ed.	1,100.00	1.016	1.0863	1,214.05	4,106.04	4,707,310.00	86.16	4,055,818.00	4,055,818.00
Prince Edward County B. of Ed.	1,100.00	1.026	1.0027	1,131.65	1,449.97	1,846,403.00	80.15	1,479,892.00	1,479,892.00
Red Lake B. of Ed.	1,100.00	1.102	1.0025	1,215.23	445.37	489,376.00	78.09	382,154.00	382,154.00
Renfrew County B. of Ed.	1,100.00	1.040	1.0053	1,150.06	7,518.85	8,422,784.00	85.08	7,166,105.00	7,166,105.00
Sault Ste. Marie B. of Ed.	1,100.00	1.100	1.0037	1,214.48	6,507.51	7,431,166.00	73.55	5,465,623.00	5,465,623.00
Simcoe County B. of Ed.	1,100.00	1.010	1.0049	1,116.44	12,939.92	13,877,878.00	66.95	9,291,239.00	9,291,239.00

SECONDARY (Continued)

Board	Base Ceiling Per Pupil (Col.1)	Grant Weighting Factor (Col.2)	French-Language Factor (Col.3)	Recognized Ordinary Expenditure Per Pupil Cols.1x2x3 (Col.4)	Average Daily Enrolment (Col.5)	Recognized Ordinary Expenditure Total (Col.6)	Ordinary Expenditure Grant Rate Percentage (Col.7)	Grant Calculated on Recognized Ordinary Expenditure Cols.6x7÷100 (Col.8)	Actual Grant on Recognized Ordinary Expenditure (Col.9)
Stormont, Dundas & Glengarry County B. of Ed.	\$1,100.00	1.021	1.0197	\$1,145.23	8,601.78	\$ 9,612,203.00	80.81	\$ 7,767,621.00	\$ 7,767,621.00
Sudbury B. of Ed.	1,100.00	1.100	1.0312	1,247.75	14,672.52	16,768,014.00	78.92	13,233,317.00	13,233,317.00
Timiskaming B. of Ed.	1,100.00	1.090	1.0305	1,235.52	2,545.94	2,926,743.00	86.69	2,537,194.00	2,537,194.00
Timmins B. of Ed.	1,100.00	1.124	1.04257	1,289.04	3,670.68	4,228,553.00	84.97	3,593,001.00	3,593,001.00
Victoria County B. of Ed.	1,100.00	1.020	1.0029	1,125.25	2,513.25	2,744,953.00	65.52	1,798,493.00	1,798,493.00
Waterloo County B. of Ed.	1,100.00	1.020	1.0042	1,126.71	15,894.35	17,880,400.00	58.87	10,526,191.00	10,526,191.00
Wellington County B. of Ed.	1,100.00	1.000	1.0041	1,104.51	7,811.04	8,219,239.00	66.47	5,463,328.00	5,463,328.00
Wentworth County B. of Ed.	1,100.00	1.000	1.0048	1,105.28	7,221.52	8,192,265.00	70.63	5,786,197.00	5,786,197.00
West Parry Sound B. of Ed.	1,100.00	1.090	1.0043	1,204.16	1,293.72	1,575,728.00	69.27	1,091,507.00	1,222,165.00
Windsor B. of Ed.	1,100.00	1.041	1.0047	1,150.38	13,504.89	15,538,736.00	61.57	9,567,200.00	9,567,200.00
York County B. of Ed.	1,100.00	1.001	1.0042	1,105.72	13,979.54	15,278,798.00	61.98	9,483,992.00	9,483,992.00

APPENDIX E

CALCULATION OF EXPENDITURE CEILINGS ON
ORDINARY EXPENDITURE PER RESIDENT-INTERNAL PUPIL
1972

ELEMENTARY - PUBLIC

CALCULATION OF EXPENDITURE CEILINGS ON ORDINARY EXPENDITURE PER RESIDENT-INTERNAL PUPIL
1972

	Calculation 1				Calculation 2					Ordinary Expendi- ture Ceiling Lesser of Col.4 and Col.9 (Col.10)	Actual Ordinary Expendi- ture (Col.11)	(Over) or Under Ordinary Expendi- ture Ceiling (Col.12)
	Ordinary Expendi- ture 1971 (Col.1)	Expendi- ture Weighting Factor (Col.2)	Maximum Increase Allowed \$60.x Exp. W.F. (Col.3)	Ordinary Expendi- ture Ceiling Col.1 + Col.3 (Col.4)	Base Ceiling (Col.5)	Expendi- ture Weighting Factor (Col.6)	French- Language Weighting Factor (Col.7)	Leeway Weighting Factor (Col.8)	Ordinary Expendi- ture Ceiling 5x6x7x8 Cols. (Col.9)			
<u>Board</u>												
Atikokan												
B. of Ed.	\$ 647.51	1.163	\$69.78	\$ 717.29	\$595.00	1.163	1.0243	1.0347	\$ 733.40	\$717.29	\$ 738.02	\$(20.73)
Brant County												
B. of Ed.	539.57	1.030	61.80	601.37	595.00	1.030	1.0107	1.000	619.41	601.37	568.77	32.60
Bruce County												
B. of Ed.	516.40	1.017	61.02	577.42	595.00	1.017	1.0116	1.000	612.13	577.42	577.01	.41
Carleton												
B. of Ed.	603.49	1.044	62.64	666.13	595.00	1.044	1.0484	1.0661	694.29	666.13	666.10	.03
Central Algoma												
B. of Ed.	607.89	1.110	66.60	674.49	595.00	1.110	1.0251	1.000	677.03	674.49	695.71	(21.22)
Chapleau												
B. of Ed.	588.57	1.130	67.80	656.37	595.00	1.130	1.0385	1.000	698.24	656.37	591.14	65.23
Cochrane-Iroquois												
Falls B. of Ed.	652.64	1.110	66.60	719.24	595.00	1.110	1.0517	1.0245	711.61	711.61	692.28	19.33
Dryden												
B. of Ed.	555.15	1.140	68.40	623.55	595.00	1.140	1.0404	1.000	705.70	623.55	606.76	16.79
Dufferin County												
B. of Ed.	468.47	1.012	60.72	529.19	595.00	1.012	1.0166	1.000	612.14	529.19	522.66	6.53
East Parry Sound												
B. of Ed.	578.08	1.130	67.80	645.88	595.00	1.130	1.014	1.000	681.76	645.88	608.03	37.85
Elgin County												
B. of Ed.	534.57	1.050	63.00	597.57	595.00	1.050	1.0106	1.000	631.37	597.57	585.21	12.36
Espanola												
B. of Ed.	619.22	1.150	69.00	688.22	595.00	1.150	1.0473	1.000	716.61	688.22	687.50	.72
Essex County												
B. of Ed.	552.38	1.031	61.86	614.24	595.00	1.031	1.0058	1.0232	631.32	614.24	590.30	23.94

ELEMENTARY - PUBLIC (Continued)

Calculation 2													
Board	Ordinary Expendi- ture 1971 (Col.1)	Expendi- ture Weighting Factor (Col.2)	Maximum Increase Allowed \$60. x Exp. W.F. (Col.3)	Ordinary Expendi- ture Ceiling Col.1 + Col.3 (Col.4)	Base Ceiling (Col.5)	Expendi- ture Weighting Factor (Col.6)	French- Language Weighting Factor (Col.7)	Leeway Weighting Factor (Col.8)	Ordinary Expendi- ture Ceiling Cols. 5x6x7x8 (Col.9)	Ordinary Expendi- ture Ceiling Lesser of Col.4 and Col.9 (Col.10)	Actual Ordinary Expendi- ture (Col.11)	(Over) or Under Ordinary Expendi- ture Ceiling (Col.12)	
Fort Frances-Rainy River B. of Ed.	\$ 579.00	1.144	\$68.64	\$ 647.64	\$595.00	1.144	1.0144	1.000	\$ 690.48	\$647.64	\$ 637.62	\$ 10.02	
Frontenac County B. of Ed.	604.44	1.044	62.64	667.08	595.00	1.044	1.0170	1.0549	666.42	666.42	633.23	33.19	
Geraldton B. of Ed.	635.34	1.117	67.02	702.36	595.00	1.117	1.0437	1.0007	694.14	694.14	669.51	24.63	
Grey County B. of Ed.	558.81	1.039	62.34	621.15	595.00	1.039	1.0121	1.0216	639.20	621.15	620.27	.88	
Haldimand County B. of Ed.	451.10	1.010	60.60	511.70	595.00	1.010	1.000	1.000	600.95	511.70	499.83	11.87	
Haliburton County B. of Ed.	548.24	1.120	67.20	615.44	595.00	1.120	1.0152	1.0121	684.72	615.44	612.34	3.10	
Halton County B. of Ed.	538.19	1.027	61.62	599.81	595.00	1.027	1.0172	1.000	621.58	599.81	579.04	20.77	
Hamilton B. of Ed.	615.37	1.170	70.20	685.57	595.00	1.170	1.011	1.000	703.88	685.57	680.71	4.86	
Hastings County B. of Ed.	534.70	1.050	63.00	597.70	595.00	1.050	1.0160	1.0179	646.11	597.70	597.70	-	
Hearst B. of Ed.	583.39	1.139	68.34	651.73	595.00	1.139	1.055	1.000	715.19	651.73	662.32	(10.59)	
Hornepayne B. of Ed.	501.06	1.135	68.10	569.16	595.00	1.135	1.0524	1.000	710.71	569.16	544.38	24.78	
Huron County B. of Ed.	470.47	1.014	60.84	531.31	595.00	1.014	1.037	1.000	625.65	531.31	533.30	(1.99)	
Kapuskasing B. of Ed.	652.07	1.149	68.94	721.01	595.00	1.149	1.052	1.0508	755.74	721.01	729.29	(8.28)	
Kenora B. of Ed.	659.85	1.175	70.50	730.35	595.00	1.175	1.0221	1.0376	741.44	730.35	715.65	14.70	

ELEMENTARY - PUBLIC (Continued)

Calculation 1				Calculation 2						Ordinary Expendi- ture Ceiling Lesser of Col. 4 and Col. 9 (Col. 10)	Actual Ordinary Expendi- ture Ceiling (Col. 11)	(Over) or Under Ordinary Expendi- ture Ceiling (Col. 12)
Ordinary Expendi- ture 1971 (Col. 1)	Expendi- ture Weighting Factor (Col. 2)	Maximum Increase Allowed \$60. x Exp. W.F. (Col. 3)	Ordinary Expendi- ture Ceiling Col. 1 + Col. 3 (Col. 4)	Expendi- ture Weighting Factor (Col. 5)	French- Language Weighting Factor (Col. 6)	French- Language Weighting Factor (Col. 7)	Leeway Weighting Factor (Col. 8)	Ordinary Expendi- ture Ceiling Cols. 5x6x7x8 (Col. 9)				
Board												
Kent County												
B. of Ed.	\$ 518.67	1.000	\$60.00	\$ 578.67	\$595.00	1.000	1.0225	1.000	\$ 608.39	\$578.67	\$ 567.29	\$11.38
Kirkland Lake												
B. of Ed.	633.87	1.150	69.00	702.87	595.00	1.150	1.0472	1.0247	734.23	702.87	689.48	13.39
Lakehead												
B. of Ed.	596.49	1.110	66.60	663.09	595.00	1.110	1.0149	1.000	670.29	663.09	660.61	2.48
Lake Superior												
B. of Ed.	667.35	1.110	66.60	733.95	595.00	1.110	1.0423	1.0411	716.62	716.62	716.57	.05
Lambton County												
B. of Ed.	547.32	1.010	60.60	607.92	595.00	1.010	1.0124	1.000	608.40	607.92	608.40	.48
Lanark County												
B. of Ed.	546.46	1.001	60.06	606.52	595.00	1.001	1.0186	1.000	606.67	606.52	594.96	11.56
Leeds & Grenville												
County B. of Ed.	512.71	1.004	60.24	572.95	595.00	1.004	1.0193	1.000	608.91	572.95	572.24	.71
Lennox & Addington												
County B. of Ed.	562.94	1.010	60.60	623.54	595.00	1.010	1.0217	1.0192	626.15	623.54	603.91	19.63
Lincoln County												
B. of Ed.	586.64	1.033	61.98	648.62	595.00	1.033	1.0148	1.0489	654.23	648.62	626.39	22.23
London												
B. of Ed.	664.87	1.150	69.00	733.87	595.00	1.150	1.0114	1.000	692.05	692.05	692.05	-
Manitoulin												
B. of Ed.	569.41	1.145	68.70	638.11	595.00	1.145	1.0100	1.000	688.09	638.11	623.26	14.85
Metropolitan Toronto												
School Board	750.85	1.213	72.78	823.63	595.00	1.213	1.0221	1.0655	786.00	786.00	785.64	.36
Michipicoten												
B. of Ed.	522.87	1.120	67.20	590.07	595.00	1.120	1.000	1.000	666.40	590.07	570.34	19.73
Middlesex County												
B. of Ed.	460.58	1.030	61.80	522.38	595.00	1.030	1.0089	1.000	618.32	522.38	522.38	-

ELEMENTARY - PUBLIC (Continued)

	Calculation 1				Calculation 2					Ordinary Expendi- ture Ceiling Lesser of Col. 4 and Col. 9 (Col. 10)	Actual Ordinary Expendi- ture (Col. 11)	(Over) or Under Ordinary Expendi- ture Ceiling (Col. 12)
	Ordinary Expendi- ture 1971 (Col. 1)	Expendi- ture Weighting Factor (Col. 2)	Maximum Increase Allowed \$60.x Exp. W.F. (Col. 3)	Ordinary Expendi- ture Ceiling Col. 1 + Col. 3 (Col. 4)	Base Ceiling (Col. 5)	Expendi- ture Weighting Factor (Col. 6)	French- Language Weighting Factor (Col. 7)	Leeway Weighting Factor (Col. 8)	Ordinary Expendi- ture Ceiling 5x6x7x8 Cols. (Col. 9)			
Prescott & Russell County B. of Ed.	\$ 583.72	1.053	\$63.18	\$ 646.90	\$595.00	1.053	1.0504	1.0282	\$ 676.57	\$646.90	\$ 639.02	\$ 7.88
Prince Edward County B. of Ed.	506.52	1.020	61.20	567.72	595.00	1.020	1.0250	1.000	622.07	567.72	544.35	23.37
Red Lake B. of Ed.	506.65	1.120	67.20	573.85	595.00	1.120	1.0301	1.000	686.46	573.85	555.19	18.66
Renfrew County B. of Ed.	569.69	1.060	63.60	633.29	595.00	1.060	1.0288	1.0193	661.39	633.29	642.79	(9.50)
Sault Ste. Marie B. of Ed.	614.45	1.114	66.84	681.29	595.00	1.114	1.017	1.0166	685.29	681.29	672.23	9.06
Simcoe County B. of Ed.	506.36	1.040	62.40	568.76	595.00	1.040	1.0178	1.000	629.81	568.76	561.59	7.17
Stormont, Dundas & Glengarry County B. of Ed.	567.20	1.037	62.22	629.42	595.00	1.037	1.037	1.0217	653.73	629.42	627.72	1.70
Sudbury B. of Ed.	675.46	1.120	67.20	742.66	595.00	1.120	1.0252	1.0703	731.22	731.22	688.54	42.68
Timiskaming B. of Ed.	545.65	1.113	66.78	612.43	595.00	1.113	1.0467	1.000	693.16	612.43	597.08	15.35
Timmins B. of Ed.	602.52	1.160	69.60	672.12	595.00	1.160	1.0518	1.000	725.96	672.12	673.46	(1.34)
Victoria County B. of Ed.	447.97	1.055	63.30	511.27	595.00	1.055	1.0035	1.000	629.92	511.27	494.45	16.82
Waterloo County B. of Ed.	550.32	1.046	62.76	613.08	595.00	1.046	1.0165	1.000	632.64	613.08	609.47	3.61
Wellington County B. of Ed.	492.33	1.022	61.32	553.65	595.00	1.022	1.0118	1.000	615.27	553.65	555.07	(1.42)

ELEMENTARY - PUBLIC (Continued)

	Calculation 1				Calculation 2				Ordinary Expendi- ture Ceiling Lesser of Col. 4 and Col. 9 (Col. 10)	Actual Ordinary Expendi- ture (Col. 11)	(Over) or Under Ordinary Expendi- ture Ceiling (Col. 12)
	Ordinary Expendi- ture 1971 (Col. 1)	Expendi- ture Weighting Factor (Col. 2)	Maximum Increase Allowed \$60.x Exp. W.F. (Col. 3)	Ordinary Expendi- ture Ceiling Col. 1 + Col. 3 (Col. 4)	Base Ceiling (Col. 5)	Expendi- ture Weighting Factor (Col. 6)	French- Language Weighting Factor (Col. 7)	Leeway Weighting Factor (Col. 8)			
Board											
Wentworth County B. of Ed.	\$ 548.23	1.020	\$61.20	\$ 609.43	\$595.00	1.020	1.0121	1.000	\$ 614.24	\$ 590.71	\$18.72
West Parry Sound B. of Ed.	594.04	1.120	67.20	661.24	595.00	1.120	1.0003	1.000	666.60	644.10	17.14
Windsor B. of Ed.	642.89	1.150	69.00	711.89	595.00	1.150	1.0268	1.000	702.10	689.74	12.36
York County B. of Ed.	551.27	1.030	61.80	613.07	595.00	1.030	1.0148	1.000	621.92	594.14	18.93

ELEMENTARY - SEPARATE

Board	Calculation 1				Calculation 2							Ordinary Expendi- ture Ceiling Lesser of Col. 4 and Col. 9 (Col. 10)	Actual Ordinary Expendi- ture (Col. 11)	(Over) or Under Ordinary Expendi- ture Ceiling (Col. 12)
	Ordinary Expendi- ture 1971 (Col. 1)	Expendi- ture Weighting Factor (Col. 2)	Maximum Increase Allowed \$60. x Exp. W.F. (Col. 3)	Ordinary Expendi- ture Ceiling Col. 1 + Col. 3 (Col. 4)	Base Ceiling (Col. 5)	Expendi- ture Weighting Factor (Col. 6)	French- Language Weighting Factor (Col. 7)	Leeway Weighting Factor (Col. 8)	Ordinary Expendi- ture Ceiling Cols. 5x6x7x8 (Col. 9)					
Brant County RCSS Board	\$ 471.42	1.000	\$60.00	\$ 531.42	\$595.00	1.000	1.0117	1.000	\$ 601.96	\$531.42	\$ 524.61	\$ 6.81		
Bruce-Grey County RCSS Board	521.34	1.013	60.78	582.12	595.00	1.013	1.0459	1.000	630.34	582.12	561.85	20.27		
Carleton RCSS Board	597.34	1.050	63.00	660.34	595.00	1.050	1.0487	1.0528	689.72	660.34	651.87	8.47		
Cochrane-Iroquois Falix District RCSS Board	608.22	1.110	66.60	674.82	595.00	1.110	1.0494	1.0187	706.09	674.82	656.66	18.16		
Dryden District RCSS Board	525.06	1.120	67.20	592.26	595.00	1.120	1.0488	1.000	698.92	592.26	571.93	20.33		
Dufferin-Peel County RCSS Board	533.33	1.020	61.20	594.53	595.00	1.020	1.0164	1.000	616.85	594.53	591.39	3.14		
Elgin County RCSS Board	529.88	1.030	61.80	591.68	595.00	1.030	1.0087	1.0031	618.80	591.68	587.63	4.05		
Essex County RCSS Board	507.57	1.010	60.00	568.17	595.00	1.010	1.0256	1.0214	629.52	568.17	568.23	(.06)		
Fort Frances-Rainy River District RCSS Board	565.56	1.130	67.80	633.36	595.00	1.130	1.0250	1.000	689.16	633.36	632.49	.87		
Frontenac-Lemnox & Addington County RCSS Board	565.10	1.031	61.86	626.96	595.00	1.031	1.0233	1.0188	639.53	626.96	614.28	12.68		
Geraldton District RCSS Board	584.44	1.140	68.40	652.84	595.00	1.140	1.0507	1.000	712.69	652.84	620.39	32.45		
Haldimand-Norfolk County RCSS Board	436.32	1.025	61.50	497.82	595.00	1.025	1.0036	1.000	612.07	497.82	491.18	6.64		
Halton County RCSS Board	508.51	1.000	60.00	568.51	595.00	1.000	1.0198	1.000	606.78	568.51	544.67	23.84		

ELEMENTARY - SEPARATE (Continued)

	Calculation 1				Calculation 2					Ordinary Expendi- ture Ceiling Lesser of Col. 4 and Col. 9 (Col. 10)	Actual Ordinary Expendi- ture (Col. 11)	(Over) or Under Ordinary Expendi- ture Ceiling (Col. 12)
	Ordinary Expendi- ture 1971 (Col. 1)	Expendi- ture Weighting Factor (Col. 2)	Maximum Increase Allowed \$60. x Exp. W.F. (Col. 3)	Ordinary Expendi- ture Ceiling Col. 1 + Col. 3 (Col. 4)	Base Ceiling (Col. 5)	Expendi- ture Weighting Factor (Col. 6)	French- Language Weighting Factor (Col. 7)	Leeway Weighting Factor (Col. 8)	Ordinary Expendi- ture Ceiling 5x6x7x8 (Col. 9)			
<u>Board</u>												
Hastings-Prince Edward County RCSS Board	\$ 535.16	1.044	\$62.64	\$ 597.80	\$595.00	1.044	1.0378	1.000	\$ 644.66	\$597.80	\$ 591.50	\$ 6.30
Hearst District RCSS Board	576.58	1.120	67.20	643.78	595.00	1.120	1.0501	1.000	699.79	643.78	657.36	(13.58)
Huron-Perth County RCSS Board	500.79	1.000	60.00	560.79	595.00	1.000	1.0104	1.000	601.19	560.79	560.82	(.03)
Kapuskasing District RCSS Board	605.88	1.100	66.00	671.88	595.00	1.100	1.0502	1.000	687.36	671.88	671.34	.54
Kenora District RCSS Board	614.33	1.143	68.58	682.91	595.00	1.143	1.0323	1.000	702.05	682.91	682.52	.39
Kent County RCSS Board	494.25	1.000	60.00	554.25	595.00	1.000	1.0386	1.000	617.97	554.25	552.05	2.20
Kirkland Lake District RCSS Board	642.74	1.120	67.20	709.94	595.00	1.120	1.0493	1.046	731.41	709.94	712.50	(2.56)
Lakehead District RCSS Board	586.58	1.100	66.00	652.58	595.00	1.100	1.0292	1.000	673.61	652.58	648.57	4.01
Lambton County RCSS Board	544.79	1.017	61.02	605.81	595.00	1.017	1.0155	1.000	614.49	605.81	617.02	(11.21)
Lanark-Leeds and Grenville County RCSS Board	522.93	1.000	60.00	582.93	595.00	1.000	1.0416	1.000	619.75	582.93	577.58	5.35
Lincoln County RCSS Board	559.28	1.000	60.00	619.28	595.00	1.000	1.0173	1.0211	618.07	618.07	601.81	16.26
Metropolitan Separate School Board	613.16	1.157	69.42	682.58	595.00	1.157	1.0402	1.000	716.09	682.58	655.06	27.52
Michipicoten District RCSS Board	500.55	1.130	67.80	568.35	595.00	1.130	1.0489	1.000	705.23	568.35	574.69	(6.34)

ELEMENTARY - SEPARATE (Continued)

	Calculation 1					Calculation 2					Ordinary Expendi- ture Ceiling Lesser of Col. 4 and Col. 9 (Col. 10)	Actual Ordinary Expendi- ture (Col. 11)	(Over) or Under Ordinary Expendi- ture Ceiling (Col. 12)
	Ordinary Expendi- ture 1971 (Col. 1)	Expendi- ture Weighting Factor (Col. 2)	Maximum Increase Allowed \$60 x Exp. W.F. (Col. 3)	Ordinary Expendi- ture Ceiling Col. 1 + Col. 3 (Col. 4)		Base Ceiling (Col. 5)	Expendi- ture Weighting Factor (Col. 6)	French- Language Weighting Factor (Col. 7)	Leeway Weighting Factor (Col. 8)	Ordinary Expendi- ture Ceiling 5x6x7x8 (Col. 9)			
<u>Board</u>													
Middlesex County RCSS Board	\$ 585.14	1.126	\$67.56	\$ 652.70		\$595.00	1.126	1.01824	1.000	\$ 682.17	\$652.70	\$ 621.70	\$ 31.00
Nipigon-Red Rock District RCSS Board	567.83	1.100	66.60	634.43		595.00	1.100	1.0520	1.000	694.79	634.43	606.12	28.31
Nipissing District RCSS Board	589.87	1.100	66.00	655.87		595.00	1.100	1.0486	1.000	686.31	655.87	657.23	(1.36)
North Shore District RCSS Board	554.21	1.100	66.00	620.21		595.00	1.100	1.0405	1.000	623.75	620.21	611.92	8.29
Ontario County RCSS Board	547.14	1.010	60.60	607.74		595.00	1.010	1.02569	1.000	616.38	607.74	607.50	.24
Ottawa RCSS Board	661.13	1.170	70.20	731.33		595.00	1.170	1.0482	1.0183	743.06	731.33	724.32	7.01
Oxford County RCSS Board	540.24	1.010	60.60	600.84		595.00	1.010	1.0161	1.000	610.63	600.84	589.88	10.96
Peterborough- Victoria-Northum- berland & Durham County RCSS Board	545.36	1.004	60.24	605.60		595.00	1.004	1.0308	1.000	615.78	605.60	605.70	(.10)
Prescott & Russell County RCSS Board	543.33	1.037	62.22	605.55		595.00	1.037	1.0501	1.000	647.92	605.55	601.98	3.57
Renfrew County RCSS Board	555.20	1.040	62.40	617.60		595.00	1.040	1.0363	1.000	641.26	617.60	617.59	.01
Sault Ste. Marie District RCSS Board	585.87	1.104	66.24	652.11		595.00	1.104	1.0201	1.000	670.08	652.11	649.28	2.83
Simcoe County RCSS Board	467.52	1.023	61.38	528.90		595.00	1.023	1.0259	1.000	624.45	528.90	531.96	(3.06)

ELEMENTARY - SEPARATE (Continued)

	Calculation 1				Calculation 2						Ordinary Expendi- ture Ceiling Lesser of Col. 4 and Col. 9 (Col. 10)	Actual Ordinary Expendi- ture (Col. 11)	(Over) or Under Ordinary Expendi- ture Ceiling (Col. 12)
	Ordinary Expendi- ture 1971 (Col. 1)	Expendi- ture Weighting Factor (Col. 2)	Maximum Increase Allowed \$60. x Exp. W.F. (Col. 3)	Ordinary Expendi- ture Ceiling Col. 1 + Col. 3 (Col. 4)	Base Ceiling (Col. 5)	Expendi- ture Weighting Factor (Col. 6)	French- Language Weighting Factor (Col. 7)	Leeway Weighting Factor (Col. 8)	Ordinary Expendi- ture Ceiling 5x6x/8 Cols. (Col. 9)				
Board													
Stormont, Dundas & Glengarry County RCSS Board	\$ 579.70	1.040	\$62.40	\$ 642.10	\$595.00	1.040	1.0500	1.0312	\$ 670.01	\$642.10	\$ 641.60	\$.50	
Sudbury District RCSS Board	616.37	1.115	66.90	683.27	595.00	1.115	1.0383	1.000	688.83	683.27	679.40	3.87	
Timiskaming District RCSS Board	558.13	1.110	66.60	624.73	595.00	1.110	1.0507	1.000	693.89	624.73	629.00	(4.27)	
Timmins District RCSS Board	616.38	1.140	68.40	684.78	595.00	1.140	1.0494	1.000	711.80	684.78	682.52	2.26	
Waterloo County RCSS Board	540.83	1.012	60.72	601.55	595.00	1.012	1.0116	1.000	609.12	601.55	577.90	23.65	
Welland County RCSS Board	564.38	1.004	60.24	624.62	595.00	1.004	1.0309	1.0161	625.75	624.62	611.79	12.83	
Wellington County RCSS Board	514.43	1.013	60.78	575.21	595.00	1.013	1.0114	1.000	609.61	575.21	575.29	(.08)	
Wentworth County RCSS Board	581.53	1.131	67.86	649.39	595.00	1.131	1.0138	1.000	682.23	649.39	618.71	30.68	
Windsor RCSS Board	598.24	1.150	69.00	667.24	595.00	1.150	1.0276	1.000	703.14	667.24	637.74	29.50	
York County RCSS Board	582.69	1.000	60.00	642.69	595.00	1.000	1.0323	1.0349	635.65	635.65	617.60	18.05	

SECONDARY

SECONDARY	Calculation 1				Calculation 2					Ordinary Expenditure Ceiling of Col.4 and Col.9 (Col.10)	Actual Ordinary Expenditure Ceiling (Col.11)	(Over) or Under Ordinary Expenditure Ceiling (Col.12)
	Ordinary Expenditure 1971 (Col.1)	Expenditure Weighting Factor (Col.2)	Maximum Increase Allowed \$75. x Exp. W.F. (Col.3)	Ordinary Expenditure Ceiling Col.1 + Col.3 (Col.4)	Base Ceiling (Col.5)	Expenditure Weighting Factor (Col.6)	French-Language Weighting Factor (Col.7)	Leeway Weighting Factor 5x6x7x8 (Col.8)	Ordinary Expenditure Ceiling Coils. 5x6x7x8 (Col.9)			
Board												
Atikoken B. of Ed.	\$1,227.61	1.124	\$84.30	\$1,311.91	\$1,100.00	1.124	1.00258	1.0353	\$1,283.35	\$1,283.35	\$1,254.83	\$ 28.52
Brant County B. of Ed.	1,022.26	1.012	75.90	1,098.16	1,100.00	1.012	1.0036	1.000	1,117.21	1,098.16	1,073.53	24.63
Bruce County B. of Ed.	1,008.29	1.007	75.53	1,083.82	1,100.00	1.007	1.0037	1.000	1,111.80	1,083.82	1,083.82	-
Carleton Place B. of Ed.	1,065.53	1.037	77.78	1,143.31	1,100.00	1.037	1.0107	1.000	1,152.91	1,143.31	1,132.91	10.40
Central Algoma B. of Ed.	1,063.44	1.134	85.05	1,148.49	1,100.00	1.134	1.0051	1.000	1,253.76	1,148.49	1,207.01	(58.52)
Chapleau B. of Ed.	977.97	1.110	83.25	1,061.22	1,100.00	1.110	1.0166	1.000	1,241.27	1,061.22	1,009.27	51.95
Cochrane-Iroquois Falls B. of Ed.	1,131.97	1.110	83.25	1,215.22	1,100.00	1.110	1.0251	1.000	1,251.65	1,215.22	1,208.42	6.80
Dryden B. of Ed.	1,034.37	1.104	82.80	1,117.17	1,100.00	1.104	1.0039	1.000	1,219.14	1,117.17	1,114.56	2.61
Dufferin County B. of Ed.	952.90	1.010	75.75	1,028.65	1,100.00	1.010	1.004	1.000	1,115.40	1,028.65	933.60	95.05
East Parry Sound B. of Ed.	987.50	1.120	84.00	1,071.50	1,100.00	1.120	1.0043	1.000	1,237.30	1,071.50	1,027.93	43.57
Elgin County B. of Ed.	1,066.28	1.049	78.68	1,144.96	1,100.00	1.049	1.0041	1.0350	1,199.19	1,144.96	1,106.44	38.52
Espanola B. of Ed.	1,168.49	1.111	83.32	1,251.81	1,100.00	1.111	1.0043	1.000	1,227.35	1,227.35	1,212.22	15.13
Essex County B. of Ed.	980.29	1.034	77.55	1,057.84	1,100.00	1.034	1.0050	1.000	1,143.09	1,057.84	1,026.38	31.46
Fort Frances-Rainy River B. of Ed.	1,077.01	1.12	84.00	1,161.01	1,100.00	1.120	1.0041	1.000	1,237.05	1,161.01	1,159.27	1.74

SECONDARY (Continued)

		Calculation 1					Calculation 2						
		Ordinary Expendi- ture 1971 (Col.1)	Expendi- ture Weighting Factor (Col.2)	Maximum Increase Allowed \$75. x Exp. W.F. (Col.3)	Ordinary Expendi- ture Ceiling Col.1 + Col.3 (Col.4)						Ordinary Expendi- ture Ceiling Lesser of Col.4 and Col.9 (Col.10)	Actual Ordinary Expendi- ture (Col.11)	(Over) or Under Ordinary Expendi- ture Ceiling (Col.12)
Board						Base Ceiling (Col.5)	Expendi- ture Weighting Factor (Col.6)	French- Language Weighting Factor (Col.7)	Leeway Weighting Factor (Col.8)	Ordinary Expendi- ture Ceiling Cols. 5x6x7x8 (Col.9)			
Frontenac County B. of Ed.	\$1,027.47	1.028	\$77.10	\$1,104.57	\$1,100.00	1.028	1.0041	1.000	1.000	\$1,135.43	\$1,104.57	\$1,080.59	\$ 23.98
Geraldton B. of Ed.	1,154.03	1.110	83.25	1,237.28	1,100.00	1.110	1.0082	1.000	1.000	1,231.01	1,231.01	1,167.77	63.24
Grey County B. of Ed.	1,011.37	1.010	75.75	1,087.12	1,100.00	1.010	1.0040	1.0279	1.0279	1,146.56	1,087.12	1,087.12	-
Haldimand County B. of Ed.	998.17	1.022	76.65	1,074.82	1,100.00	1.022	1.0032	1.000	1.000	1,127.80	1,074.82	1,066.88	7.94
Haliburton County B. of Ed.	1,082.96	1.076	80.70	1,163.66	1,100.00	1.076	1.0036	1.000	1.000	1,187.86	1,163.66	1,083.62	80.04
Halton County B. of Ed.	957.13	1.013	75.98	1,033.11	1,100.00	1.013	1.0056	1.000	1.000	1,120.54	1,033.11	1,026.15	6.96
Hamilton B. of Ed.	1,108.83	1.084	81.30	1,190.13	1,100.00	1.084	1.0036	1.000	1.000	1,196.69	1,190.13	1,190.13	-
Hastings County B. of Ed.	1,033.37	1.030	77.25	1,110.62	1,100.00	1.030	1.0036	1.0022	1.0022	1,139.58	1,110.62	1,094.05	16.57
Hearst B. of Ed.	1,163.43	1.125	84.38	1,247.81	1,100.00	1.125	1.0896	1.000	1.000	1,348.38	1,247.81	1,228.27	19.54
Hornepayne B. of Ed.	991.26	1.120	84.00	1,075.26	1,100.00	1.120	1.0079	1.000	1.000	1,241.73	1,075.26	1,025.65	49.61
Huron County B. of Ed.	942.65	1.021	76.58	1,019.22	1,100.00	1.021	1.0040	1.000	1.000	1,127.59	1,019.22	1,007.92	11.30
Kapuskasing B. of Ed.	1,129.92	1.132	84.90	1,214.82	1,100.00	1.132	1.0448	1.000	1.000	1,300.98	1,214.82	1,218.25	(3.43)
Kenora B. of Ed.	1,170.67	1.091	81.83	1,252.50	1,100.00	1.091	1.0044	1.000	1.000	1,205.38	1,205.38	1,205.40	(.02)
Kent County B. of Ed.	959.49	1.011	75.83	1,035.32	1,100.00	1.011	1.0042	1.000	1.000	1,116.77	1,035.32	1,022.50	12.82

SECONDARY (Continued)

	Calculation 1				Calculation 2						Ordinary Expenditure Ceiling Col. 4 and Col. 9 (Col. 10)	Actual Ordinary Expenditure Ceiling (Col. 11)	(Over) or Under Ordinary Expenditure Ceiling (Col. 12)	
	Ordinary Expenditure 1971 (Col. 1)	Expenditure Weighting Factor (Col. 2)	Maximum Increase Allowed \$75.x Exp. W.F. (Col. 3)	Ordinary Expenditure Ceiling Col. 1 + Col. 3 (Col. 4)	Base Ceiling (Col. 5)	Expenditure Weighting Factor (Col. 6)	French-Language Weighting Factor (Col. 7)	Leeway Weighting Factor (Col. 8)	Ordinary Expenditure Ceiling Cols. 5x6x7x8 (Col. 9)					
Board														
Kirkland Lake B. of Ed.	\$1,058.58	1.112	\$83.40	\$1,141.98	\$1,100.00	1.112	1.0077	1.000	\$1,232.62	\$1,141.98	\$1,114.85	\$ 27.13		
Lakehead B. of Ed.	1,034.18	1.100	82.50	1,116.68	1,100.00	1.100	1.0040	1.000	1,214.84	1,116.68	1,114.77	1.91		
Lake Superior B. of Ed.	1,342.54	1.130	84.75	1,427.29	1,100.00	1.130	1.0044	1.1145	1,391.42	1,391.42	1,392.66	(1.24)		
Lambton County B. of Ed.	1,011.44	1.012	75.90	1,087.34	1,100.00	1.012	1.0040	1.000	1,117.65	1,087.34	1,087.71	(.37)		
Lanark County B. of Ed.	1,003.42	1.038	77.85	1,081.27	1,100.00	1.038	1.0042	1.000	1,146.60	1,081.27	1,081.27	-		
Leeds & Grenville County B. of Ed.	1,005.32	1.020	76.50	1,081.82	1,100.00	1.020	1.0049	1.000	1,127.50	1,081.82	1,078.69	3.13		
Lennox & Addington County B. of Ed.	1,068.31	1.012	75.90	1,144.21	1,100.00	1.012	1.0031	1.0332	1,153.72	1,144.21	1,139.95	4.26		
Lincoln County B. of Ed.	1,135.61	1.016	76.20	1,211.81	1,100.00	1.016	1.0040	1.0802	1,212.06	1,211.81	1,160.38	51.43		
London B. of Ed.	1,173.86	1.082	81.15	1,255.01	1,100.00	1.082	1.0043	1.0313	1,232.73	1,232.73	1,232.73	-		
Manitowlin B. of Ed.	1,085.68	1.110	83.25	1,168.93	1,100.00	1.110	1.0035	1.000	1,225.27	1,168.93	994.35	174.58		
Metropolitan Toronto School Board	1,204.11	1.111	83.33	1,287.44	1,100.00	1.111	1.0046	1.0439	1,281.62	1,281.62	1,281.40	.22		
Michipicoten B. of Ed.	1,045.54	1.100	82.50	1,128.04	1,100.00	1.100	1.0060	1.000	1,217.26	1,128.04	1,117.52	10.52		
Middlesex County B. of Ed.	960.13	1.0140	76.05	1,036.18	1,100.00	1.0140	1.0047	1.0017	1,122.55	1,036.18	1,037.20	(1.02)		
Muskoka B. of Ed.	1,057.61	1.092	81.90	1,139.51	1,100.00	1.092	1.0033	1.000	1,205.16	1,139.51	1,140.44	(.93)		

SECONDARY (Continued)

Board	Calculation 1				Calculation 2				Ordinary Expendi- ture Ceiling Col. 4 and Col. 9 (Col.10)	Actual Ordinary Expendi- ture Ceiling (Col.11)	(Over) or Under Ordinary Expendi- ture Ceiling (Col.12)	
	Ordinary Expendi- ture 1971 (Col.1)	Expendi- ture Weighting Factor (Col.2)	Maximum Increase Allowed \$75. x Exp. W.F. (Col.3)	Ordinary Expendi- ture Ceiling Col.1 + Col.3 (Col.4)	Base Ceiling (Col.5)	Expendi- ture Weighting Factor (Col.6)	French- Language Weighting Factor (Col.7)	Leeway Weighting Factor (Col.8)				Ordinary Expendi- ture Ceiling Cois. 5x6x7x8 (Col.9)
Niagara South B. of Ed.	\$1,060.11	1.033	\$77.47	\$1,137.58	\$1,100.00	1.033	1.0086	1.000	\$1,146.07	\$1,137.58	\$1,135.75	\$ 1.83
Nipigon-Red Rock B. of Ed.	1,193.08	1.113	83.48	1,276.56	1,100.00	1.113	1.0038	1.0111	1,242.59	1,242.59	1,230.77	11.82
Nipissing B. of Ed.	1,065.95	1.09	81.75	1,147.70	1,100.00	1.090	1.0376	1.000	1,244.08	1,147.70	1,124.68	23.02
Norfolk County B. of Ed.	997.82	1.021	76.58	1,074.40	1,100.00	1.021	1.0037	1.000	1,127.26	1,074.40	1,060.71	13.69
North Shore B. of Ed.	1,348.16	1.103	82.73	1,430.89	1,100.00	1.103	1.0186	1.0900	1,347.10	1,347.10	1,351.42	(4.32)
Northumberland & Durham County B. of Ed.	963.53	1.004	75.30	1,038.83	1,100.00	1.004	1.0038	1.000	1,108.60	1,038.83	1,060.50	(21.67)
Ontario County B. of Ed.	1,039.00	1.000	75.00	1,114.00	1,100.00	1.000	1.0044	1.000	1,104.84	1,104.84	1,102.70	2.41
Ottawa B. of Ed.	1,161.51	1.090	81.75	1,243.26	1,100.00	1.090	1.0284	1.000	1,233.04	1,233.04	1,232.02	1.02
Oxford County B. of Ed.	1,024.92	1.003	75.22	1,100.14	1,100.00	1.003	1.0042	1.000	1,107.93	1,100.14	1,099.99	.15
Peel County B. of Ed.	1,089.72	1.004	75.30	1,165.02	1,100.00	1.004	1.0047	1.0402	1,154.12	1,154.12	1,117.35	36.77
Perth County B. of Ed.	897.23	1.000	75.00	972.23	1,100.00	1.000	1.0044	1.000	1,104.84	972.23	954.13	18.10
Peterborough County B. of Ed.	1,028.79	1.010	75.75	1,104.54	1,100.00	1.010	1.0042	1.000	1,115.67	1,104.54	1,094.91	9.63
Prescott & Russell County B. of Ed.	1,015.99	1.016	76.20	1,092.19	1,100.00	1.016	1.0863	1.000	1,214.05	1,092.19	1,092.08	.11
Prince Edward County B. of Ed.	932.77	1.026	76.95	1,009.72	1,100.00	1.026	1.0027	1.000	1,131.65	1,009.72	1,002.42	7.30

SECONDARY (Continued)

	Calculation 1				Calculation 2					Ordinary Expendi- ture Ceiling Col. 4 and Col. 9 (Col. 10)	Actual Ordinary Expendi- ture (Col. 11)	(Over) or Under Ordinary Expendi- ture Ceiling (Col. 12)
	Ordinary Expendi- ture 1971 (Col. 1)	Expendi- ture Weighting Factor (Col. 2)	Maximum Increase Allowed \$75. x Exp. W.F. (Col. 3)	Ordinary Expendi- ture Ceiling Col. 1 + Col. 3 (Col. 4)	Base Ceiling (Col. 5)	Expendi- ture Weighting Factor (Col. 6)	French- Language Weighting Factor (Col. 7)	Leeway Weighting Factor (Col. 8)	Ordinary Expendi- ture Ceiling 5x6x/8 (Col. 9)			
Board												
Red Lake B. of Ed.	\$1,028.38	1.102	\$82.65	\$1,111.03	\$1,100.00	1.102	1.0025	1.000	\$1,215.23	\$1,111.03	\$1,097.28	\$ 13.75
Renfrew County B. of Ed.	1,044.85	1.040	78.00	1,122.85	1,100.00	1.040	1.0053	1.000	1,150.06	1,122.85	1,118.28	4.57
Sault Ste. Marie B. of Ed.	1,076.71	1.100	82.50	1,159.21	1,100.00	1.100	1.0037	1.000	1,214.48	1,159.21	1,139.26	19.95
Simcoe County B. of Ed.	993.86	1.010	75.75	1,069.61	1,100.00	1.010	1.0049	1.000	1,116.44	1,069.61	1,069.59	.02
Stormont, Dundas & Glengarry County B. of Ed.	1,031.26	1.033	77.48	1,108.74	1,100.00	1.033	1.0197	1.000	1,158.69	1,108.74	1,103.42	5.32
Sudbury B. of Ed.	1,073.37	1.100	82.50	1,155.87	1,100.00	1.100	1.0312	1.000	1,247.75	1,155.87	1,140.19	15.68
Timiskaming B. of Ed.	1,062.87	1.090	81.75	1,144.62	1,100.00	1.090	1.0305	1.000	1,235.52	1,144.62	1,164.65	(20.03)
Timmins B. of Ed.	1,080.90	1.124	84.30	1,165.20	1,100.00	1.124	1.04257	1.000	1,289.04	1,165.20	1,151.64	13.56
Victoria County B. of Ed.	967.68	1.033	77.47	1,045.15	1,100.00	1.033	1.0029	1.000	1,139.59	1,045.15	1,041.05	4.10
Waterloo County B. of Ed.	1,047.01	1.030	77.25	1,124.26	1,100.00	1.030	1.0042	1.000	1,137.76	1,124.26	1,124.23	.03
Wellington County B. of Ed.	959.17	1.003	75.23	1,034.40	1,100.00	1.003	1.0041	1.000	1,107.81	1,034.40	1,037.04	(2.64)
Wentworth County B. of Ed.	995.83	1.003	75.22	1,071.05	1,100.00	1.003	1.0048	1.000	1,108.60	1,071.05	1,034.58	36.47
West Parry Sound B. of Ed.	1,166.31	1.116	83.70	1,250.01	1,100.00	1.116	1.0043	1.000	1,232.88	1,232.88	1,211.55	21.33

SECONDARY (Continued)

	Calculation 1				Calculation 2				Ordinary Expendi- ture	(Over) or Under	
	Ordinary Expendi- ture 1971 (Col.1)	Expendi- ture Weighting Factor (Col.2)	Maximum Allowed \$75, x Exp. W.F. (Col.3)	Ordinary Expendi- ture Ceiling Col.1 + Col.3 (Col.4)	Expendi- ture Weighting Factor (Col.5)	French- Language Weighting Factor (Col.7)	Leeway Weighting Factor (Col.8)	Ordinary Expendi- ture Ceiling 5x67x8 (Col.9)	Ceiling Lesser of Col.4 and Col.9 (Col.10) (Col.11) (Col.12)	Ordinary Expendi- ture Ceiling (Col.12)	
Board	\$1,094.97	1.075	\$80.63	\$1,175.60	\$1,100.00	1.075	1.0047	1.000	\$1,188.00	\$1,175.60	\$.07
Windsor											
B. of Ed.											
York County											
B. of Ed.	1,032.13	1.003	75.23	1,107.36	1,100.00	1.003	1.0042	1.000	1,107.93	1,107.36	14.42

APPENDIX F

CHANGES IN GRANT WEIGHTING FACTORS
1972 to 1974

CHANGES IN GRANT WEIGHTING FACTORS

1972 to 1974

ELEMENTARY - PUBLIC

	1972		1973		1974	
	Grant Weighting Factor (Col.1)		Grant Weighting Factor (Col.2)	Increase or (Decrease) Col.2 - Col.1 (Col.3)	Grant Weighting Factor (Col.4)	Increase or (Decrease) Col.4 - Col.2 (Col.5)
Atikokan B. of Ed.	1.130		1.124	(.006)	1.140	.016
Brant County B. of Ed.	1.030		1.023	(.007)	1.047	.024
Bruce County B. of Ed.	1.000		1.021	.021	1.022	.001
Carleton B. of Ed.	1.040		1.030	(.010)	1.032	.002
Central Algoma B. of Ed.	1.110		1.120	.010	1.170	.050
Chapleau B. of Ed.	1.130		1.120	(.010)	1.153	.033
Cochrane-Iroquois Falls B. of Ed.	1.110		1.123	.013	1.155	.032
Dryden B. of Ed.	1.140		1.105	(.035)	1.147	.042
Dufferin County B. of Ed.	1.000		1.007	.007	1.032	.025
East Parry Sound B. of Ed.	1.130		1.098	(.032)	1.146	.048
Elgin County B. of Ed.	1.040		1.031	(.009)	1.033	.002
Espanola B. of Ed.	1.150		1.138	(.012)	1.170	.032
Essex County B. of Ed.	1.030		1.023	(.007)	1.041	.018
Fort Frances-Rainy River B. of Ed.	1.130		1.130	-	1.172	.042
Frontenac County B. of Ed.	1.040		1.030	(.010)	1.037	.007
Geraldton B. of Ed.	1.110		1.115	.005	1.163	.048

ELEMENTARY - PUBLIC (Continued)

ELEMENTARY - PUBLIC (Continued)	1972		1973		1974	
	Grant	Grant Weighting Factor (Col.1)	Grant	Increase or (Decrease) Col.2 - Col.1 (Col.3)	Grant	Increase or (Decrease) Col.4 - Col.2 (Col.5)
	Weighting Factor (Col.1)		Weighting Factor (Col.2)		Weighting Factor (Col.4)	
Grey County B. of Ed.	1.030		1.023	(.007)	1.041	.018
Haldimand County B. of Ed.	1.010		1.008	(.002)	1.008	-
Haliburton County B. of Ed.	1.110		1.095	(.015)	1.110	.015
Halton County B. of Ed.	1.020		1.015	(.005)	1.026	.011
Hamilton B. of Ed.	1.060		1.072	.012	1.086	.014
Hastings County B. of Ed.	1.050		1.038	(.012)	1.035	(.003)
Hearst B. of Ed.	1.130		1.125	(.005)	1.147	.022
Hornepayne B. of Ed.	1.130		1.130	-	1.150	.020
Huron County B. of Ed.	1.000		1.000	-	1.015	.015
Kapuskasing B. of Ed.	1.140		1.129	(.011)	1.145	.016
Kenora B. of Ed.	1.150		1.143	(.007)	1.192	.049
Kent County B. of Ed.	1.000		1.018	.018	1.031	.013
Kirkland Lake B. of Ed.	1.150		1.134	(.016)	1.161	.027
Lakehead B. of Ed.	1.110		1.098	(.012)	1.107	.009
Lake Superior B. of Ed.	1.110		1.121	.011	1.125	.004
Lambton County B. of Ed.	1.010		1.014	.004	1.030	.016
Lanark County B. of Ed.	1.000		1.029	.029	1.035	.006
Leeds and Grenville County B. of Ed.	1.000		1.019	.019	1.021	.002
Lennox and Addington County	1.010		1.032	.022	1.050	.018

*Now Halton B. of Ed.

ELEMENTARY - PUBLIC (Continued)

	1972		1973		1974	
	Grant Weighting Factor (Col.1)		Grant Weighting Factor (Col.2)	Increase or (Decrease) Col.2 - Col.1 (Col.3)	Grant Weighting Factor (Col.4)	Increase or (Decrease) Col.4 - Col.2 (Col.5)
Lincoln County B. of Ed.	1.030		1.028	(.002)	1.050	.022
London B. of Ed.	1.050		1.038	(.012)	1.055	.017
Manitoulin B. of Ed.	1.130		1.147	.017	1.156	.009
Metropolitan Toronto School Bd.	1.100		1.085	(.015)	1.109	.024
Michipicoten B. of Ed.	1.120		1.106	(.014)	1.144	.038
Middlesex County B. of Ed.	1.020		1.015	(.005)	1.014	(.001)
Muskoka B. of Ed.	1.080		1.064	(.016)	1.111	.047
Niagara South B. of Ed.	1.030		1.035	.005	1.033	(.002)
Nipigon-Red Rock B. of Ed.	1.110		1.118	.008	1.186	.068
Nipissing B. of Ed.	1.130		1.098	(.032)	1.122	.024
Norfolk County B. of Ed.	1.040		1.031	(.009)	1.047	.016
North Shore B. of Ed.	1.110		1.130	.020	1.168	.038
*Northumberland and Durham County B. of Ed.	1.020		1.015	(.005)	1.042	.027
**Ontario County B. of Ed.	1.000		1.022	.022	1.026	.004
Ottawa B. of Ed.	1.080		1.063	(.017)	1.094	.031
Oxford County B. of Ed.	1.010		1.011	.001	1.028	.017
Peel County B. of Ed.	1.020		1.015	(.005)	1.024	.009
Perth County B. of Ed.	1.020		1.021	.001	1.025	.004
Peterborough County B. of Ed.	1.010		1.020	.010	1.043	.023

* Now Northumberland and Newcastle B. of Ed.

**Now Durham B. of Ed.

ELEMENTARY - PUBLIC (Continued)

	1972		1973		1974	
	Grant Weighting Factor (Col.1)		Grant Weighting Factor (Col.2)	Increase or (Decrease) Col.2 - Col.1 (Col.3)	Grant Weighting Factor (Col.4)	Increase or (Decrease) Col.4 - Col.3 (Col.5)
Prescott and Russell County B. of Ed.	1.040		1.030	(.010)	1.029	(.001)
Prince Edward County B. of Ed.	1.020		1.042	.022	1.038	(.004)
Red Lake B. of Ed.	1.120		1.136	.016	1.166	.030
Renfrew County B. of Ed.	1.060		1.045	(.015)	1.066	.021
Sault Ste. Marie B. of Ed.	1.110		1.083	(.027)	1.106	.023
Simcoe County B. of Ed.	1.020		1.015	(.005)	1.025	.010
Stormont, Dundas and Glengarry County B. of Ed.	1.020		1.026	.006	1.035	.009
Sudbury B. of Ed.	1.120		1.090	(.030)	1.123	.033
Timiskaming B. of Ed.	1.110		1.092	(.018)	1.132	.040
Timmins B. of Ed.	1.140		1.120	(.020)	1.145	.025
Victoria County B. of Ed.	1.040		1.030	(.010)	1.027	(.003)
Waterloo County B. of Ed.	1.040		1.039	(.001)	1.058	.019
Wellington County B. of Ed.	1.020		1.015	(.005)	1.017	.002
Wentworth County B. of Ed.	1.020		1.015	(.005)	1.014	(.001)
West Parry Sound B. of Ed.	1.120		1.090	(.030)	1.107	.017
Windsor B. of Ed.	1.050		1.074	.024	1.097	.023
York County B. of Ed.	1.030		1.023	(.007)	1.028	.005

ELEMENTARY - SEPARATE

	1972		1973		1974	
	Grant Weighting Factor (Col.1)		Grant Weighting Factor (Col.2)	Increase or (Decrease) Col.2 - Col.1 (Col.3)	Grant Weighting Factor (Col.4)	Increase or (Decrease) Col.4 - Col.3 (Col.5)
Brant County R.C.S.S. Bd.	1.000		1.003	.003	1.003	-
Bruce-Grey County R.C.S.S. Bd.	1.010		1.016	.006	1.015	(.001)
Carleton R.C.S.S. Bd.	1.050		1.038	(.012)	1.035	(.003)
Cochrane-Iroquois Falls District R.C.S.S. Bd.	1.110		1.108	(.002)	1.128	.020
Dryden District R.C.S.S. Bd.	1.120		1.138	.018	1.162	.024
Dufferin-Peel County R.C.S.S. Bd.	1.020		1.015	(.005)	1.014	(.001)
Elgin County R.C.S.S. Bd.	1.030		1.024	(.006)	1.028	.004
Essex County R.C.S.S. Bd.	1.000		1.000	-	1.010	.010
Fort Frances-Rainy River District R.C.S.S. Bd.	1.130		1.128	(.002)	1.209	.081
Frontenac-Lennox and Addington County R.C.S.S. Bd.	1.028		1.021	(.007)	1.032	.011
Geraldton District R.C.S.S. Bd.	1.140		1.121	(.019)	1.190	.069
Haldimand-Norfolk County R.C.S.S. Bd.	1.025		1.027	.002	1.031	.004
*Halton County R.C.S.S. Bd.	1.000		1.000	-	1.000	-
Hastings-Prince Edward County R.C.S.S. Bd.	1.044		1.033	(.011)	1.030	(.003)
Hearst District R.C.S.S. Bd.	1.120		1.110	(.010)	1.130	.020

*Now Halton R.C.S.S. Bd.

ELEMENTARY - SEPARATE (Continued)

	1972		1973		1974	
	Grant Weighting Factor (Col.1)		Grant Weighting Factor (Col.2)	Increase or (Decrease) Col.2 - Col.1 (Col.3)	Grant Weighting Factor (Col.4)	Increase or (Decrease) Col.4 - Col.2 (Col.5)
Huron-Perth County R.C.S.S. Bd.	1.000		1.000	-	1.019	.019
Kapuskasing District R.C.S.S. Bd.	1.100		1.090	(.010)	1.122	.032
Kenora District R.C.S.S. Bd.	1.140		1.123	(.017)	1.186	.063
Kent County R.C.S.S. Bd.	1.000		1.000	-	1.012	.012
Kirkland Lake District R.C.S.S. Bd.	1.120		1.105	(.015)	1.135	.030
Lakehead District R.C.S.S. Bd.	1.100		1.083	(.017)	1.098	.015
Lambton County R.C.S.S. Bd.	1.010		1.008	(.002)	1.015	.007
Lanark-Leeds and Grenville County R.C.S.S. Bd.	1.000		1.000	-	1.008	.008
Lincoln County R.C.S.S. Bd.	1.000		1.000	-	1.020	.020
London and Middlesex County R.C.S.S. Bd.	1.142		1.032	(.010)	1.029	(.003)
Metropolitan Separate School Board	1.050		1.050	-	1.058	.008
Michipicoten District R.C.S.S. Bd.	1.130		1.130	-	1.159	.029
Nipigon-Red Rock District R.C.S.S. Bd.	1.110		1.120	.010	1.134	.014
Nipissing District R.C.S.S. Bd.	1.100		1.075	(.025)	1.090	.015

ELEMENTARY - SEPARATE (Continued)

	1972		1973		1974	
	Grant Weighting Factor (Col.1)		Grant Weighting Factor (Col.2)	Increase or (Decrease) Col.2 - Col.1 (Col.3)	Grant Weighting Factor (Col.4)	Increase or (Decrease) Col.4 - Col.2 (Col.5)
North Shore District R.C.S.S. Bd.	1.100		1.090	(.010)	1.110	.020
*Ontario County R.C.S.S. Bd.	1.010		1.008	(.002)	1.008	-
Ottawa R.C.S.S. Bd.	1.070		1.055	(.015)	1.064	.009
Oxford County R.C.S.S. Bd.	1.010		1.010	-	1.016	.006
**Peterborough-Victoria-Northumberland and Durham County R.C.S.S. Bd.	1.002		1.030	.028	1.028	(.002)
Prescott and Russell County R.C.S.S. Bd.	1.030		1.023	(.007)	1.044	.021
Renfrew County R.C.S.S. Bd.	1.040		1.030	(.010)	1.031	.001
Sault Ste. Marie District R.C.S.S. Bd.	1.100		1.075	(.025)	1.096	.021
Schreiber-Terrace Bay District R.C.S.S. Bd.	1.110		1.120	.010	1.156	.036
Simcoe County R.C.S.S. Bd.	1.023		1.017	(.006)	1.016	(.001)
Stormont, Dundas and Glengarry County R.C.S.S. Bd.	1.030		1.027	(.003)	1.060	.033
Sudbury District R.C.S.S. Bd.	1.100		1.075	(.025)	1.094	.019
Timiskaming District R.C.S.S. Bd.	1.110		1.090	(.020)	1.140	.050
Timmins District R.C.S.S. Bd.	1.140		1.105	(.035)	1.095	(.010)
Waterloo County R.C.S.S. Bd.	1.010		1.016	.016	1.015	(.001)
Welland County R.C.S.S. Bd.	1.000		1.020	.020	1.022	.002

*Now Durham Region R.C.S.S. Bd.

**Now Peterborough-Victoria-Northumberland and Newcastle R.C.S.S. Bd.

ELEMENTARY - SEPARATE (Continued)

	1972		1973		1974	
	Grant Weighting Factor (Col.1)		Grant Weighting Factor (Col.2)	Increase or (Decrease) Col.2 - Col.1 (Col.3)	Grant Weighting Factor (Col.4)	Increase or (Decrease) Col.4 - Col.2 (Col.4)
Wellington County R.C.S.S. Bd.	1.000		1.000	-	1.013	.013
Wentworth County R.C.S.S. Bd.	1.044		1.033	(.011)	1.030	(.003)
Windsor R.C.S.S. Bd.	1.050		1.038	(.012)	1.048	.010
York County R.C.S.S. Bd.	1.000		1.003	.003	1.012	.009

SECONDARY

	1972		1973		1974	
	Grant Weighting Factor (Col.1)		Grant Weighting Factor (Col.2)	Increase or (Decrease) Col.2 - Col.1 (Col.3)	Grant Weighting Factor (Col.4)	Increase or (Decrease) Col.4 - Col.2 (Col.5)
Atikokan B. of Ed.	1.100		1.092	(.008)	1.132	.040
Brant County B. of Ed.	1.010		1.008	(.002)	1.023	.015
Bruce County B. of Ed.	1.007		1.002	(.005)	1.017	.015
Carleton B. of Ed.	1.030		1.023	(.007)	1.034	.011
Central Algoma B. of Ed.	1.134		1.115	(.019)	1.152	.037
Chapleau B. of Ed.	1.110		1.100	(.010)	1.120	.020
Cochrane-Iroquois Falls B. of Ed.	1.110		1.145	.035	1.180	.035
Dryden B. of Ed.	1.104		1.084	(.020)	1.122	.038
Dufferin County B. of Ed.	1.010		1.008	(.002)	1.015	.007
East Parry Sound B. of Ed.	1.120		1.090	(.030)	1.081	(.009)
Elgin County B. of Ed.	1.035		1.023	(.012)	1.021	(.002)
Espanola B. of Ed.	1.110		1.093	(.017)	1.146	.053
Essex County B. of Ed.	1.034		1.023	(.011)	1.021	(.002)
Fort Frances-Rainy River B. of Ed.	1.120		1.090	(.030)	1.117	.027
Frontenac County B. of Ed.	1.021		1.015	(.006)	1.025	.010
Geraldton B. of Ed.	1.110		1.129	.019	1.128	(.001)
Grey County B. of Ed.	1.010		1.011	.001	1.026	.015
Haldimand County B. of Ed.	1.020		1.015	(.005)	1.024	.009
Haliburton County B. of Ed.	1.076		1.089	.013	1.085	(.004)

SECONDARY (Continued)

	1972		1973		1974	
	Grant Weighting Factor (Col.1)		Grant Weighting Factor (Col.2)	Increase or (Decrease) Col.2 - Col.1 (Col.3)	Grant Weighting Factor (Col.4)	Increase or (Decrease) Col.4 - Col.2 (Col.5)
*Halton County B. of Ed.	1.010		1.008	(.002)	1.018	.010
Hamilton B. of Ed.	1.044		1.030	(.014)	1.055	.025
Hastings County B. of Ed.	1.030		1.023	(.007)	1.021	(.002)
Hearst B. of Ed.	1.125		1.170	.045	1.199	.029
Hornepayne B. of Ed.	1.120		1.131	.011	1.220	.089
Huron County B. of Ed.	1.010		1.008	(.002)	1.014	.006
Kapuskasing B. of Ed.	1.132		1.098	(.034)	1.121	.023
Kenora B. of Ed.	1.091		1.082	(.009)	1.122	.040
Kent County B. of Ed.	1.011		1.008	(.003)	1.018	.010
Kirkland Lake B. of Ed.	1.110		1.090	(.020)	1.128	.038
Lakehead B. of Ed.	1.100		1.082	(.018)	1.107	.025
Lake Superior B. of Ed.	1.130		1.120	(.010)	1.158	.038
Lambton County B. of Ed.	1.010		1.033	.023	1.030	(.003)
Lanark County B. of Ed.	1.038		1.030	(.008)	1.030	-
Leeds and Grenville County B. of Ed.	1.020		1.024	.004	1.032	.008
Lennox and Addington County B. of Ed.	1.012		1.008	(.004)	1.019	.011
Lincoln County B. of Ed.	1.001		1.005	.004	1.021	.016
London B. of Ed.	1.040		1.030	(.010)	1.045	.015

*Now Halton B. of Ed.

SECONDARY (Continued)

	1972		1973		1974	
	Grant Weighting Factor (Col.1)		Grant Weighting Factor (Col.2)	Increase or (Decrease) Col.2 - Col.1 (Col.3)	Grant Weighting Factor (Col.4)	Increase or (Decrease) Col.4 - Col.2 (Col.5)
Manitoulin B. of Ed.	1.110		1.119	.009	1.149	.030
Metropolitan Toronto School Bd.	1.050		1.051	.001	1.065	.014
Michipicoten B. of Ed.	1.100		1.243	.143	1.260	.017
Middlesex County B. of Ed.	1.010		1.008	(.002)	1.016	.008
Muskoka B. of Ed.	1.092		1.068	(.024)	1.101	.033
Niagara South B. of Ed.	1.021		1.023	.002	1.036	.013
Nipigon-Red Rock B. of Ed.	1.113		1.112	(.001)	1.143	.031
Nipissing B. of Ed.	1.090		1.088	(.002)	1.104	.016
Norfolk County B. of Ed.	1.020		1.023	.003	1.036	.013
North Shore B. of Ed.	1.103		1.123	.020	1.137	.014
*Northumberland and Durham County B. of Ed.	1.000		1.004	.004	1.019	.015
**Ontario County B. of Ed.	1.000		1.012	.012	1.017	.005
Ottawa B. of Ed.	1.040		1.036	(.004)	1.033	(.003)
Oxford County B. of Ed.	1.000		1.004	.004	1.021	.017
Peel County B. of Ed.	1.000		1.000	-	1.020	.020
Perth County B. of Ed.	1.000		1.005	.005	1.020	.015
Peterborough County B. of Ed.	1.010		1.008	(.002)	1.028	.020
Prescott and Russell County B. of Ed.	1.016		1.010	(.006)	1.028	.018

*Now Northumberland and Newcastle
B. of Ed.

**Now Durham B. of Ed.

SECONDARY (Continued)

	1972		1973		1974	
	Grant Weighting Factor (Col.1)		Grant Weighting Factor (Col.2)	Increase or (Decrease) Col.2 - Col.1 (Col.3)	Grant Weighting Factor (Col.4)	Increase or (Decrease) Col.4 - Col.2 (Col.5)
Prince Edward County B. of Ed.	1.026		1.015	(.011)	1.038	.023
Red Lake B. of Ed.	1.102		1.115	.013	1.131	.016
Renfrew County B. of Ed.	1.040		1.030	(.010)	1.027	(.003)
Sault Ste. Marie B. of Ed.	1.100		1.075	(.025)	1.092	.017
Simcoe County B. of Ed.	1.010		1.013	.003	1.017	.004
Stormont, Dundas and Glengarry County B. of Ed.	1.021		1.016	(.005)	1.036	.020
Sudbury B. of Ed.	1.100		1.075	(.025)	1.090	.015
Timiskaming B. of Ed.	1.090		1.074	(.016)	1.103	.029
Timmins B. of Ed.	1.124		1.090	(.034)	1.099	.009
Victoria County B. of Ed.	1.020		1.015	(.005)	1.021	.006
Waterloo County B. of Ed.	1.020		1.015	(.005)	1.024	.009
Wellington County B. of Ed.	1.000		1.007	.007	1.019	.012
Wentworth County B. of Ed.	1.000		1.002	.002	1.015	.013
West Parry Sound B. of Ed.	1.090		1.068	(.022)	1.108	.040
Windsor B. of Ed.	1.041		1.031	(.010)	1.051	.020
York County B. of Ed.	1.001		1.006	.005	1.018	.012

APPENDIX G

CALCULATION OF GRANT AND EXPENDITURE CEILINGS

1974

GRANT AND EXPENDITURE CEILINGS

1974

PUBLIC AND SECONDARY

	Base Ceiling (Col.1)	Grant Weighting Factor (Col.2)	Calculated Grant Ceiling Cols.1x2 (Col.3)	Expenditure Weighting Factor (Col.4)	Calculated Expenditure Ceiling Cols.1x4 (Col.5)
Atikokan B. of Ed.	\$ 704.00 1,231.00	1.143 1.132	\$ 804.67 1,393.49	1.158 1.147	\$ 815.23 1,411.96
Brant County B. of Ed.		1.047 1.023	737.09 1,259.31	1.056 1.038	743.42 1,277.78
Bruce County B. of Ed.	Same for	1.022 1.017	719.49 1,251.93	1.055 1.032	742.72 1,270.39
Carleton B. of Ed.	all boards	1.032 1.034	726.53 1,272.85	1.051 1.047	739.90 1,288.86
Central Algoma B. of Ed.	at	1.170 1.152	823.68 1,418.11	1.185 1.152	834.24 1,418.11
Chapleau B. of Ed.	each of	1.153 1.120	811.71 1,378.72	1.153 1.120	811.71 1,378.72
Cochrane-Iroquois Falls B. of Ed.	elementary and secondary	1.155 1.180 1.147 1.122	813.12 1,452.58 807.49 1,381.18	1.170 1.180 1.152 1.122	823.68 1,452.58 811.01 1,381.18
Dryden B. of Ed.	levels	1.032 1.015	726.53 1,249.47	1.043 1.029	734.27 1,266.70
Dufferin County B. of Ed.		1.146 1.081	806.78 1,330.71	1.161 1.081	817.34 1,330.71
East Parry Sound B. of Ed.					

PUBLIC AND SECONDARY (Continued)

		Base Ceiling (Col.1)	Grant Weighting Factor (Col.2)	Calculated Grant Ceiling Cols.1x2 (Col.3)	Expenditure Weighting Factor (Col.4)	Calculated Expenditure Ceiling Cols.1x4 (Col.5)
Elgin County.	Elem.	\$ 704.00	1.033	\$ 727.23	1.056	\$ 743.42
B. of Ed.	Sec.	\$1,231.00	1.021	1,256.85	1.036	1,275.32
Espanola	Elem.		1.170	823.68	1.170	823.68
B. of Ed.	Sec.		1.146	1,410.73	1.161	1,429.19
Essex County	Elem.		1.041	732.86	1.056	743.42
B. of Ed.	Sec.		1.021	1,256.85	1.026	1,263.01
Fort Frances-Rainy River	Elem.		1.172	825.09	1.187	835.65
B. of Ed.	Sec.		1.117	1,375.03	1.126	1,386.11
Frontenac County	Elem.		1.037	730.05	1.057	744.13
B. of Ed.	Sec.		1.025	1,261.78	1.040	1,280.24
Geraldton	Elem.		1.163	818.75	1.178	829.31
B. of Ed.	Sec.		1.128	1,388.57	1.128	1,388.57
Grey County	Elem.		1.041	732.86	1.056	743.42
B. of Ed.	Sec.		1.026	1,263.01	1.041	1,281.47
Haldimand County	Elem.		1.008	709.63	1.010	711.04
B. of Ed.	Sec.		1.024	1,260.54	1.036	1,275.32
Haliburton County	Elem.		1.110	781.44	1.119	787.78
B. of Ed.	Sec.		1.085	1,335.64	1.085	1,335.64
*Halton County	Elem.		1.026	722.30	1.041	732.86
B. of Ed.	Sec.		1.018	1,253.16	1.033	1,271.62
Hamilton	Elem.		1.088	765.95	1.183	832.83
B. of Ed.	Sec.		1.059	1,303.63	1.114	1,371.33
Hastings County	Elem.		1.035	728.64	1.050	739.20
B. of Ed.	Sec.		1.021	1,256.85	1.035	1,274.09

*Now Halton B. of Ed.

PUBLIC AND SECONDARY (Continued)

		Base Ceiling (Col. 1)	Grant Weighting Factor (Col. 2)	Calculated Grant Ceiling Cols. 1x2 (Col. 3)	Expenditure Weighting Factor (Col. 4)	Calculated Expenditure Ceiling Cols. 1x4 (Col. 5)
Hearst		\$ 704.00	1.147	\$ 807.49	1.147	\$ 807.49
B. of Ed.	Elem. Sec.	\$1,231.00	1.199	1,475.97	1.199	1,475.97
Hornepayne						
B. of Ed.	Elem. Sec.		1.150 1.220	809.60 1,501.82	1.150 1.220	809.60 1,501.82
Huron County						
B. of Ed.	Elem. Sec.		1.015 1.014	714.56 1,248.23	1.030 1.027	725.12 1,264.24
Kapuskasing						
B. of Ed.	Elem. Sec.		1.145 1.121	806.08 1,379.95	1.160 1.132	816.64 1,393.49
Kenora						
B. of Ed.	Elem. Sec.		1.192 1.122	839.17 1,381.18	1.207 1.129	849.73 1,389.80
Kent County						
B. of Ed.	Elem. Sec.		1.031 1.018	725.82 1,253.16	1.046 1.033	736.38 1,271.62
Kirkland Lake						
B. of Ed.	Elem. Sec.		1.161 1.128	817.34 1,388.57	1.176 1.135	827.90 1,397.19
Lakehead						
B. of Ed.	Elem. Sec.		1.112 1.107	782.85 1,362.72	1.127 1.122	793.41 1,381.18
Lake Superior						
B. of Ed.	Elem. Sec.		1.125 1.158	792.00 1,425.50	1.145 1.251	806.08 1,539.98
Lambton County						
B. of Ed.	Elem. Sec.		1.030 1.030	725.12 1,267.93	1.045 1.043	735.68 1,283.93
Lanark County						
B. of Ed.	Elem. Sec.		1.035 1.030	728.64 1,267.93	1.056 1.039	743.42 1,279.01
Leeds and Grenville County						
B. of Ed.	Elem. Sec.		1.021 1.032	718.78 1,270.39	1.027 1.047	723.01 1,288.86

PUBLIC AND SECONDARY (Continued)

		Base Ceiling (Col.1)	Grant Weighting Factor (Col.2)	Calculated Grant Ceiling Cols.1x2 (Col.3)	Expenditure Weighting Factor (Col.4)	Calculated Expenditure Ceiling Cols.1x4 (Col.5)
Lennox and Addington County	Elem.	\$ 704.00	1.050	\$ 739.20	1.055	\$ 742.72
B. of Ed.	Sec.	\$1,231.00	1.019	1,254.39	1.038	1,277.78
Lincoln County	Elem.		1.050	739.20	1.065	749.76
B. of Ed.	Sec.		1.021	1,256.85	1.041	1,281.47
London	Elem.		1.055	742.72	1.130	795.52
B. of Ed.	Sec.		1.045	1,286.40	1.112	1,368.87
Manitoulin	Elem.		1.156	813.82	1.156	813.82
B. of Ed.	Sec.		1.149	1,414.42	1.149	1,414.42
Metropolitan Toronto	Elem.		1.109	780.74	1.257	884.93
School Board	Sec.		1.065	1,311.02	1.161	1,429.19
Michipicoten	Elem.		1.144	805.38	1.144	805.38
B. of Ed.	Sec.		1.260	1,551.06	1.260	1,551.06
Middlesex County	Elem.		1.014	713.86	1.026	722.30
B. of Ed.	Sec.		1.016	1,250.70	1.031	1,269.16
Muskoka	Elem.		1.111	782.14	1.126	792.70
B. of Ed.	Sec.		1.101	1,355.33	1.116	1,373.80
Niagara South	Elem.		1.033	727.23	1.068	751.87
B. of Ed.	Sec.		1.036	1,275.32	1.052	1,295.01
Nipigon-Red Rock	Elem.		1.186	834.94	1.199	844.10
B. of Ed.	Sec.		1.143	1,407.03	1.154	1,420.57
Nipissing	Elem.		1.122	789.89	1.137	800.45
B. of Ed.	Sec.		1.104	1,359.02	1.117	1,375.03
Norfolk County	Elem.		1.047	737.09	1.061	746.94
B. of Ed.	Sec.		1.036	1,275.32	1.051	1,293.78

PUBLIC AND SECONDARY (Continued)

		Base Ceiling (Col.1)	Grant Weighting Factor (Col.2)	Calculated Grant Ceiling Cols.1x2 (Col.3)	Expenditure Weighting Factor (Col.4)	Calculated Expenditure Ceiling Cols.1x4 (Col.5)
North Shore	Elem.	\$ 704.00	1.168	\$ 822.27	1.183	\$ 832.83
B. of Ed.	Sec.	\$1,231.00	1.152	1,418.11	1.196	1,472.28
*Northumberland and Durham County						
B. of Ed.	Elem.		1.042	733.57	1.053	741.31
	Sec.		1.019	1,254.39	1.034	1,272.85
**Ontario County						
B. of Ed.	Elem.		1.026	722.30	1.026	722.30
	Sec.		1.017	1,251.93	1.032	1,270.39
Ottawa	Elem.		1.094	770.18	1.263	889.15
B. of Ed.	Sec.		1.033	1,271.62	1.104	1,359.02
Oxford County						
B. of Ed.	Elem.		1.028	723.71	1.043	734.27
	Sec.		1.021	1,256.85	1.036	1,275.32
Peel County	Elem.		1.024	720.90	1.048	737.79
B. of Ed.	Sec.		1.020	1,255.62	1.035	1,274.09
Perth County	Elem.		1.025	721.60	1.040	732.16
B. of Ed.	Sec.		1.020	1,255.62	1.035	1,274.09
Peterborough County						
B. of Ed.	Elem.		1.043	734.27	1.058	744.83
	Sec.		1.028	1,265.47	1.043	1,283.93
Prescott and Russell County	Elem.		1.029	724.42	1.050	739.20
B. of Ed.	Sec.		1.028	1,265.47	1.028	1,265.47
Prince Edward County	Elem.		1.038	730.75	1.044	734.98
B. of Ed.	Sec.		1.038	1,277.78	1.047	1,288.86
Red Lake	Elem.		1.166	820.86	1.166	820.86
B. of Ed.	Sec.		1.131	1,392.26	1.131	1,392.26
Renfrew County	Elem.		1.066	750.46	1.077	758.21
B. of Ed.	Sec.		1.027	1,264.24	1.032	1,270.39

* Now Northumberland and Newcastle B. of Ed.

**Now Durham B. of Ed.

PUBLIC AND SECONDARY (Continued)

		Base Ceiling (Col.1)	Grant Weighting Factor (Col.2)	Calculated Grant Ceiling Cols.1x2 (Col.3)	Expenditure Weighting Factor (Col.4)	Calculated Expenditure Ceiling Cols.1x4 (Col.5)
Sault Ste. Marie B. of Ed.	Elem. Sec.	\$ 704.00 \$1,231.00	1.106 1.092	\$ 778.62 1,344.25	1.121 1.103	\$ 789.18 1,357.79
Simcoe County B. of Ed.	Elem. Sec.		1.025 1.017	721.60 1,251.93	1.044 1.032	734.98 1,270.39
Stormont, Dundas and Glengarry County B. of Ed.	Elem. Sec.		1.035 1.036	728.64 1,275.32	1.051 1.051	739.90 1,293.78
Sudbury B. of Ed.	Elem. Sec.		1.123 1.090	790.59 1,341.79	1.138 1.090	801.15 1,341.79
Timiskaming B. of Ed.	Elem. Sec.		1.132 1.103	796.93 1,357.79	1.141 1.103	803.26 1,357.79
Timmins B. of Ed.	Elem. Sec.		1.145 1.099	806.08 1,352.87	1.154 1.099	812.42 1,352.87
Victoria County B. of Ed.	Elem. Sec.		1.027 1.021	723.01 1,256.85	1.036 1.036	729.34 1,275.32
Waterloo County B. of Ed.	Elem. Sec.		1.058 1.024	744.83 1,260.54	1.073 1.039	755.39 1,279.01
Wellington County B. of Ed.	Elem. Sec.		1.017 1.019	715.97 1,254.39	1.034 1.034	727.94 1,272.85
Wentworth County B. of Ed.	Elem. Sec.		1.014 1.015	713.86 1,249.47	1.031 1.031	725.82 1,269.16
West Parry Sound B. of Ed.	Elem. Sec.		1.107 1.108	779.33 1,363.95	1.120 1.123	788.48 1,382.41
Windsor B. of Ed.	Elem. Sec.		1.097 1.051	772.29 1,293.78	1.172 1.096	825.09 1,349.18
York County B. of Ed.	Elem. Sec.		1.028 1.018	723.71 1,253.16	1.054 1.036	742.02 1,275.32

SEPARATE

	Base Ceiling (Col.1)	Grant Weighting Factor (Col.2)	Calculated Grant Ceiling Cols.1x2 (Col.3)	Expenditure Weighting Factor (Col.4)	Calculated Expenditure Ceiling Cols.1x4 (Col.5)
Brant County R.C.S.S. Bd.	\$704.00	1.003	\$706.11	1.003	\$706.11
Bruce-Grey County R.C.S.S. Bd.		1.015	714.56	1.017	715.97
Carleton R.C.S.S. Bd.		1.035	728.64	1.036	729.34
Cochrane-Iroquois Falls District R.C.S.S. Bd.		1.128	794.11	1.128	794.11
Dryden District R.C.S.S. Bd.		1.162	818.05	1.162	818.05
Dufferin-Peel County R.C.S.S. Bd.		1.014	713.86	1.018	716.67
Elgin County R.C.S.S. Bd.		1.028	723.71	1.028	723.71
Essex County R.C.S.S. Bd.		1.010	711.04	1.026	722.30
Fort Frances-Rainy River District R.C.S.S. Bd.		1.209	851.14	1.224	861.70
Frontenac-Lennox and Addington County R.C.S.S. Bd.		1.032	726.53	1.047	737.09
Geraldton District R.C.S.S. Bd.		1.190	837.76	1.190	837.76
Haldimand-Norfolk County R.C.S.S. Bd.		1.031	725.82	1.031	725.82
*Halton County R.C.S.S. Bd.		1.000	704.00	1.000	704.00
Hastings-Prince Edward County R.C.S.S. Bd.		1.030	725.12	1.032	726.53
Hearst District R.C.S.S. Bd.		1.130	795.52	1.130	795.52
Huron-Perth County R.C.S.S. Bd.		1.019	717.38	1.022	719.49
Kapuskasing District R.C.S.S. Bd.		1.122	789.89	1.122	789.89
Kenora District R.C.S.S. Bd.		1.186	834.94	1.186	834.94

*Now Halton R.C.S.S. Bd.

SEPARATE

	Base Ceiling (Col. 1)	Grant Weighting Factor (Col. 2)	Calculated Grant Ceiling Cols. 1x2 (Col. 3)	Expenditure Weighting Factor (Col. 4)	Calculated Expenditure Ceiling Cols. 1x4 (Col. 5)
Kent County R.C.S.S. Bd.	\$704.00	1.012	\$712.45	1.024	\$720.90
Kirkland Lake District R.C.S.S. Bd.		1.135	799.04	1.138	801.15
Lakehead District R.C.S.S. Bd.		1.098	772.99	1.112	782.85
Lambton County R.C.S.S. Bd.		1.015	714.56	1.030	725.12
Lanark-Leeds and Grenville County R.C.S.S. Bd.		1.008	709.63	1.008	709.63
Lincoln County R.C.S.S. Bd.		1.020	718.08	1.027	723.01
London and Middlesex County R.C.S.S. Bd.		1.029	724.42	1.102	775.81
Metropolitan Separate School Board		1.058	744.83	1.171	824.38
Michipicoten District R.C.S.S. Bd.		1.159	815.94	1.159	815.94
Nipigon-Red Rock District R.C.S.S. Bd.		1.134	798.34	1.143	804.67
Nipissing District R.C.S.S. Bd.		1.090	767.36	1.098	772.99
North Shore District R.C.S.S. Bd.		1.110	781.44	1.110	781.44
*Ontario County R.C.S.S. Bd.		1.019	717.38	1.019	717.38
Ottawa R.C.S.S. Bd.		1.064	749.06	1.179	830.02
Oxford County R.C.S.S. Bd.		1.016	715.26	1.016	715.26
**Peterborough-Victoria-Northumberland and Durham County R.C.S.S. Bd.		1.028	723.71	1.043	734.27
Prescott and Russell County R.C.S.S. Bd.		1.044	734.98	1.050	739.20
Renfrew County R.C.S.S. Bd.		1.031	725.82	1.031	725.82
Sault Ste. Marie District R.C.S.S. Bd.		1.096	771.58	1.110	781.44

*Now Durham Region R.C.S.S. Bd.

**Now Peterborough-Victoria-Northumberland and
Newcastle R.C.S.S. Bd.

SEPARATE

	Base Ceiling (Col.1)	Grant Weighting Factor (Col.2)	Calculated Grant Ceiling Cols.1x2 (Col.3)	Expenditure Weighting Factor (Col.4)	Calculated Expenditure Ceiling Cols.1x4 (Col.5)
Schreiber-Terrace Bay District R.C.S.S. Bd.	\$704.00	1.156	\$813.82	1.156	\$813.82
Simcoe County R.C.S.S. Bd.		1.016	715.26	1.023	720.19
Stormont, Dundas and Glengarry County R.C.S.S. Bd.		1.060	746.24	1.060	746.24
Sudbury District R.C.S.S. Bd.		1.096	771.58	1.098	772.99
Timiskaming District R.C.S.S. Bd.		1.140	802.56	1.140	802.56
Timmins District R.C.S.S. Bd.		1.095	770.88	1.095	770.88
Waterloo County R.C.S.S. Bd.		1.015	714.56	1.022	719.49
Welland County R.C.S.S. Bd.		1.022	719.49	1.035	728.64
Wellington County R.C.S.S. Bd.		1.013	713.15	1.026	722.30
Wentworth County R.C.S.S. Bd.		1.030	725.12	1.107	779.33
Windsor R.C.S.S. Bd.		1.048	737.79	1.125	792.00
York County R.C.S.S. Bd.		1.022	719.49	1.033	727.23

COMMITTEE ON THE COSTS OF EDUCATION

Staff Members

J. R. McCarthy	Executive Director
S. Bacsalmasi	Superintendent of Planning and Development York County Board of Education
F. A. Danna	Assistant Superintendent of Business and Finance Halton County Board of Education
T. David	Senior Statistician Ministry of Education
J. M. Ramsay	Director of Education Simcoe County Board of Education

